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Electoral Reform Secretariat
Department of Prime Minister and Cabinet
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Canberra
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Dear Sir

**Electoral reform Green Paper: Strengthening Australia's democracy
A submission by the Hawthorn ALP**

Please find attached the submission by the Hawthorn ALP in response to *Electoral Reform Green Paper: Strengthening Australia's Democracy*. I may be contacted on Tel: 03 9857 9588 in relation to any queries concerning this submission.

Yours sincerely

Ian Hundley

Secretary, Hawthorn ALP

Att.

ELECTORAL REFORM GREEN PAPER: STRENGTHENING AUSTRALIA'S DEMOCRACY

A SUBMISSION BY THE HAWTHORN ALP

Introduction

This submission by the Hawthorn ALP in response to the *Electoral Reform Green Paper: Strengthening Australia's Democracy* follows on and should be read in conjunction with our submission to the first green paper, *Donations, Funding and Expenditure, 2009*.

The Special Minister of State says in his foreword to this Green Paper that the Commonwealth Constitution is the basic document which establishes the major principles of our system of government and that the *Commonwealth Electoral Act 1918* provides the legislative framework for the operation of the Australian democratic system.

However, there is no mention in the Commonwealth Constitution of the institution of party politics that quickly became central to the operation of Australian government in the aftermath of federation. And given the pivotal role of the parties there is also insufficient attention given in the Commonwealth electoral legislation to the conduct of political parties.

We contend that the internal conduct of registered political parties is just as important as the electoral process itself in maintaining an open, democratic and corruption-free national political system. In this context it is highly likely that parties that conduct their own internal affairs corruptly will also be inclined to elevate persons for election who are predisposed to act corruptly if they achieve public office.

There is ample evidence in Australia and elsewhere that political parties do not "self-regulate" to maintain internal democratic practice and to control internal corruption. They tend to become less democratic and more oligarchic. Therefore, there is an urgent need for the Commonwealth to legislate to minimise scope for corrupt practice within political parties and to maximise internal party democracy.

As we discussed in our earlier submission, the overall objective of electoral reform should be to encourage greater democratic practice and openness in the political process generally and within political parties in particular, and to reduce the influence of money politics in Australian federal government.

The Second Green Paper

The Green Paper identifies (paragraph 8.21) regulation of the structure or conduct of political parties as one of the options for the amendment of current arrangements. In this regard it notes (paragraph 8.22):

“Some have argued that despite the benefits that registered parties receive over their unregistered electoral competitors, there are ‘minimal requirements placed on how parties are to be structured or organised.’”

The Green Paper goes on to reiterate (paragraph 8.23) points in favour and against greater regulation of registered political parties:

“In support of additional regulation, it might be argued that political parties are fundamental and influential players in Australia’s electoral and political processes, and that further regulation could make their operations more open and transparent, which could assist voters in making an informed voting choice and may also assist in attracting high calibre persons to engage in party politics. Against this, it has been argued that further regulation would be an inappropriate intrusion into the activities of political parties. It might also be argued that it is ultimately up to the voters to express at the ballot box any concerns they may have about the way in which a particular party operates. The burden of more stringent requirements for registration could also potentially discourage new parties from registering.”

Decline in political engagement

As we pointed out in our submission on the first Green Paper there has been a perceptible decline in local party political organisation and grass roots political engagement in Australia and a parallel trend towards the control of political participation and decision-making by unaccountable elites within major parties. Since the mid 1980s this process has been facilitated by the provision of public funding and relatively uncontrolled solicitation of private funding by political parties for electoral purposes.

Its latest and highly objectionable manifestation is the peddling by political parties of access to senior parliamentarians (and especially those with executive government or shadow ministerial responsibilities) for a fee. Few of the major parties have been immune from this practice. The Hawthorn ALP believes this trend must be reversed urgently for the sake of the health of our political process.

In our submission to the recent Special Purpose Membership Review and Audit Committee examination of branch stacking within the Victorian Branch of the ALP the Hawthorn Branch estimated there are only 12,910 local members qualified to vote in preselection ballots and other internal elections in the ALP.

This is a strikingly low number and, based upon the primary vote for the 2007 House of Representatives election, is equivalent to a mere 0.91 ALP members for each 100

voters in Victoria who gave their first preference vote to the ALP. Thus, less than one in every 100 Labor voters in Victoria retains ALP membership.

In the end, the Victorian Branch examination of branch stacking was superficial in the extreme, largely because powerful interests controlling the stacks (estimated to comprise 50% of the voting membership) used their influence to render the inquiry ineffective. A copy of the Victorian ALP *Final Report of the Special Purpose Membership Review and Audit Committee* (October 2009) is included separately for information. As can be seen, there is no indication in the report of any examination of the membership and payments records which are retained by the Victorian Branch Head Office. This simple audit process was essential to establish the bona fides of individual memberships.

This unhappy outcome in Australia's largest political party has several precedents, as previous such inquiries have been closed down by executive decision in recent years. This experience shows that effective regulatory arrangements are necessary to make the internal processes of political parties more open and democratic and therefore less susceptible to unaccountable operatives and external influences. There has been significant media coverage of the issue and the fact that the Green Paper made no substantial reference to branch stacking is a significant and disappointing omission in what should be a comprehensive review of the electoral system and the central role of political parties.

Preselections of parliamentary candidates

Preselections for safe seats are rightly identified in the Green Paper as a particular concern where "the potential for branch-stacking and preselection fraud poses 'great dangers for political standards'" (paragraph 8.29). It is evident in the Victorian Branch of the ALP that the majority of the branch stacking is in safe Labor constituencies. They have by far the largest membership levels. The major motivation is employment (generally as the constituency representative, although the quest for employment as a parliamentary or ministerial staffer is also an important driver for this behaviour) and it is allowed to go unhindered by an administration that has largely done the bidding of the stackers.

The observation (paragraph 8.30) quoted in the Green Paper that "preselection problems are isolated and overstated, and that 'parties are probably the cleanest they have ever been in terms of rules and procedures'" is grossly ill-informed. Local member participation in preselection ballots in the Victorian ALP is now frequently denied by executive decision. The denial of this democratic right is indefensible and its motivation is primarily the same: the delivery of a benefit to a favourite of the groups organised around branch stacking activity.

Relatively few bona fide members of the Victorian Branch of the ALP are sufficiently aware of the dynamics of the anti-democratic practices that dominate the party, let alone fully understand its impact upon the decision-making processes of the party. The organisation makes it impossible for them to find out, as the central administration resists disclosure of the relevant information when requested to do so. Largely statistical information sought by this Branch for the purpose of making a

submission to the Special Purpose Membership Review and Audit Committee was not made available by the Victorian Branch administration, despite repeated requests.

The forces in the Victorian ALP that deny local member participation in preselection ballots are also hard at work closing down debate on policy. The major policy making body, the state conference, is moribund. The oligarchs and spin doctors sift and eliminate from the agenda all policy proposals that might meet with disfavour from the interest groups that are the beneficiaries of branch stacking.

Reforms have been resisted in the Victorian ALP because the forces that benefit from corrupt behaviour are comfortable in the knowledge that it has not yet registered strongly with voters in parliamentary elections. By and large it has not influenced the outcome of elections. The Hawthorn ALP submits this is not a sufficient reason for the Commonwealth to shy away from regulatory reforms that would resuscitate democratic practice and inhibit corrupt behaviour within Australian political parties. Whilst the situation is now serious it could potentially become much worse unless there is effective regulatory intervention.

Our recommendations

We strongly support minimum requirements in the constitutions of registered political parties which would ensure effective internal democracy (paragraph 8.24). These should include a disciplinary appeals mechanism whose findings can be enforced and not be subverted by interest groups within the party; the inalienable right for members to vote in all preselections for parliamentary candidates; a democratic and participatory policy development process; and making the relationship between the party and its members subject to judicial review and sanctions.

We strongly support the requirement that registered political parties become legal entities in the light of the significant benefits of registration identified in the Green Paper, viz:

- The requirement to meet certain transparency and financial reporting requirements; and
- To make each party responsible for the action of its members and office bearers.

As discussed above, under current arrangements senior officials can behave with impunity towards the party membership and feel no obligation towards maintaining any democratic rights of participation for individual members. This situation must be reversed so that the membership as a whole is protected by legally enforceable democratic rights.

Conclusions

Political parties have been central to the system of Australian government since federation and the state has become increasingly involved in maintaining the institution of political parties, primarily through the provision of significant public funding.

However, Australian political parties are in danger of becoming hollow shells which perform no clear democratic function and which are disengaged from their own memberships. Their role to develop policy for which they seek the informed consent of the electorate is rapidly fading and their remaining function is largely ceremonial: publicly legitimising what are now profoundly undemocratic processes for the preselection of electoral candidates.

It is time that political parties were formally made accountable for their day-to-day actions and processes to make their behaviour consistent with that of a nation that calls itself democratic. We consider that the measures we have put forward here as well as in our submission to the first electoral reform green paper would substantially assist in that regard.