Labor and the Trade Unions in Australia:

Til Death Do Them Part?

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Panel on 'The Missing Link? The Relationship Between Parties and Organised Interests’
1. Introduction

If one were to construct a continuum between, on the one hand, prototypical ‘European’ social
democratic parties and, on the other, the more “Labourist” parties found in the UK and the ‘old’
Commonwealth, then one would probably place the German Social Democrats (SPD) at one pole
and the Australian Labor Party (ALP) at the other. Both are democratic parties of the centre-left but
their intellectual and organisational origins, particularly the relationship to the wider labour
movements and trade union structures in the two countries, are very different. And it is from these
differences that the very different modi operandi of the two parties can be traced.

The SPD is the oldest social democratic party in Europe with its origins in the intellectual ferment
of the failed ‘bourgeois revolutions’ of 1848 and emerged out of the broad network of workers’
clubs that spread throughout the more industrialised north and east of Germany in the late 19th
century. The early years of what was to become the SPD as marked by a struggle between two
competing groups, the Lassalleans and the Eisenachers. The eventual ascendancy of Lassalle’s
‘German General Workers Association’ (*Allgemeiner Deutscher Arbeiterverein* or ADA), left the
SPD with a strong authoritarian streak but, as Hunt pointed out, ‘from its outset the German labour
movement [had] a dual heritage in organisational as well as in political matters…. two sharply
contrasting models of organisation: the one authoritarian, rigidly centralised, efficient, and
disciplined, the other ultra-democratic, loosely federalist in structure, and lax in discipline. In the
subsequent history of the Social Democratic Party – and even after it moved away from the class-
mass organisational model in the 1950s - one can follow the interplay of these two clashing
concepts of organisation’. ¹ By the 1990s, the SPD’s old class-mass model of organisation.² had

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¹ R.N. Hunt, 1964, *German Social Democracy 1918-1933*, New Haven, Ct, Yale University Press, p. 6-7
been supplanted by a looser organisational form; a process that was described by Peter Lösche as a transition from a ‘community of solidarity’ to one of ‘loosely-coupled anarchy’. The current SPD organisational form is one in which organised labour has only a limited role and is held at arms length from the party apparatus.

The ALP, by contrast, was more obviously a creation of the union movement that emerged in the pre-federation Australian colonies and the link between the two has been umbilical for most of its history. Formed amidst a strong suspicion of the landed political class of the time, the party imported a culture of unity and solidarity from the unions themselves that ran counter to the prevailing parliamentary culture of the day. A strong extra-parliamentary machine was developed, armed with a variety of mechanisms to ensure that the party’s elected representatives, who were regarded as delegates, acted as a united body in accordance with positions officially agreed through the ALP’s bucracraic processes. As a result, Labor MPs found themselves in a kind of ‘double-lock’: bound by both by decisions taken in the parliamentary caucus and also by the decisions taken in the party organisation outside parliament. The unions themselves ensured for themselves a central role in this extra-parliamentary apparatus, enabling them to dominate the ALP’s parliamentary representatives through control of the rank-and-file membership of local activists.

Ludlum, Bodah and Coates develop a typology of union-party relations ranging from (a) external lobbying with no organisational integration and negligible union input into policy; (b) internal lobbying, with no organisational integration but regular consultation on policy; (c) union-party bonding, with a special status granted to unions within the party but no domination of policy; and


(d) union dominance, where the party is essentially a creature of the union movement. Where the SPD might have over time developed a relatively distant relationship from organised labour, the ALP has been firmly in one of the latter two categories throughout its history.

The origins of what remain active and highly formalised links between the trades unions and the ALP means that the relationship can be modelled heuristically as one of ‘principal and agent’. In the game theoretical literature, the principle-agent relationship is normally modelled as a ‘problem’ in that it is fraught with potential difficulties. In this heuristic, the trades unions are the principle and the ALP is the agent. The principle employs the agent because it can act more effectively through it, in this case ensuring improved pay and working conditions for organised labour through the ALP’s legislative role, than it can through acting directly, via labour disputes, industrial tribunals, the slow build-up of organisation in the workplace, and painstaking and iterative negotiation with individual employers. The problem arises because the ALP, as the agent, possesses more information about the legislative route than the principal, and may have diverging interests and expectations to the principle about its role. This imposes ‘agency costs’ on the principal, not least because in order to achieve office the ALP as the agent must secure a plurality of votes from an electorate whose own interests may also diverge from that of the principal. The pursuit of such a ‘median voter’ strategy can be heuristically modelled as a form of ‘moral hazard’, in which the agent has an incentive to act inappropriately from the viewpoint of the principal because the interests of the agent and the principal are not aligned and the costs, such as they are, of the strategy are borne by the principal, the trade unions, who must bankroll the party operation but accept suboptimal policy outcomes in the pursuit of broad electoral appeal.

To limit moral hazard, the principal must construct strategies to (re)assert oversight over the agent. It is the nature of these strategies for oversight that constitutes the core analytical value of the heuristic. 6 So, drawing on a model developed in the legislative studies field, the principle-agent issue can be conceived of in terms of an often confused chain of delegation. 7 The confusion emerges from the contradictions that arise from operating a delegational model of organisation in a parliamentary democracy. For the problem for the trades unions as the principle is that citizens are the ultimate source of legitimacy in a democracy, but they delegate to their MP who, in turn, delegate most of their responsibility to a subsection of their number; the party executive. In addition, a chain of accountability runs in the opposite direction. As a means of reducing the risk of moral hazard, the principle at each stage of the chain of delegation has at their disposal a series of accountability measures which can be divided into ex ante and ex post. In the legislative field, ex ante measures might include electoral systems, allowing the voters to select the candidate and party who they trust to act in accordance with their interests whilst ex post measures would include the sorts of parliamentary mechanisms which require the executive to explain and account for their actions.

So, in a similar vein, ever since the original decision to stand their own candidates rather than endorse individual candidates whom they thought might be broadly sympathetic, trades unions in Australia have developed strategies designed to maintain a degree of control over the parliamentary party despite the inherent contradictions described above. They have historically instituted mechanisms designed to ensure that those elected as ALP MPs are accountable to it and that the parliamentary party as the agent acts in accordance with the wishes of the unions as principal. The

6 A parliamentary democracy has this unitary chain of delegation. In a presidential democracy, there are two chains of delegation: from the citizenry to the legislature and to the president.

positions reserved for union delegates at the party conferences of both the State/Territory and Commonwealth parties have ensured some *ex ante* control of official party policy positions. In addition, their role in the pre-selection of candidates is both another *ex ante* means by which they have sought to ensure that those elected act in accordance with their wishes as well as being an *ex post* means of punishment for deselecting sitting members who may have displeased the unions (the union role in the pre-selection process is discussed in more detail in section 7).

But, as we go on to discuss, union dominance over the formal decision-making structures of the party has been diminishing, albeit from a very high start point. The seats reserved for union delegates at the party conferences has been whittled down to the current figure of 50 per cent, for instance, and with the diversification of the party's sources of funding to include public funding and other private income, union capacity to exert control over the party they founded has been reduced. The decline in union membership appears to have reduced the wider legitimacy of the union's historically dominant role in the party. And, whilst the party might still be viewed by some as the political expression of the union movement, without the ability to appeal to non-union floating voters, the party cannot hope to gain power, weakening the ability of unions to exert control over its agents in the ALP. Moreover, the example of the union’s successful media campaign against ‘WorkChoices’ – a series of deregulatory industrial relations reforms introduced by John Howard's right of centre Coalition government - highlight how the unions can benefit from keeping its distance from the ALP. At the same time the party's system of well organised factions has seen union influence emerge through more informal mechanisms. But this has not prevented the party from pursuing a median voter, catch-all strategy, albeit within constraints.

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To explore these issues in more depth, the rest of this paper is divided into four sections. First we describe the context in which the principal agent problem has arisen by describing the historical development of the links between trades unions and ALP, and then explore the current relationship between principal and agent in the context of modern Australian politics. Second, we map the workings of the formal institutional links between trades unions and party, the degree of financial backing the unions provide the ALP in comparison with other sources of revenue, and the amount of input into policy formation. Third, we examine trades union influence over patterns of party membership and methods of candidate selection, with an emphasis on the socio-economic background of legislators. Finally, we conclude by revisiting the principal agent heuristic and asking to what extent this is helpful in describing a complex and often paradoxical relationship which has, nevertheless, survived, more or less intact for over a century.

2. Unions and the birth of Australian Labor parties

Political parties came relatively late to Australia. A recognisable party system developed in the years between 1890 and 1910, several decades after the pre-federation colonies had had functioning bicameral legislatures with elected lower houses and a relatively encompassing franchise. This absence of ‘proper’ parties prior to 1890 has been attributed to several related factors. Firstly, the constitutions of the 1850s generally enshrined liberalism as the prevailing orthodoxy: whilst upper houses might have generally represented the interests of the propertied, they largely proved an inadequate bulwark against popular demands from the lower houses. Moreover, a relatively inclusive franchise was established early, predating any mass movement for it. As a result the sort of demands that might have led to mass movements and subsequently to the development of parties,
such as the extension of the franchise, were pre-empted. This is illustrated by the way in which land reform was largely dealt with through the pre-eminence of the colonies’ lower houses without stimulating the formation of parties. That said, Tasmania, where the franchise was relatively restrictive and the upper house conservative dominated and able to block legislation, was the slowest to develop parties.

A dispersed population, with poor communication between many communities also played a role. With many communities so isolated, they remained focussed on parochial matters, with issues of more general concern failing to gain traction and politicians focussed on material gains for their electorates:

Cut off from one another by distance and lack of efficient transport [communities] saw their interests in parochial and material terms: [electorates] wanted improved public services, especially roads, the railway and the telegraph. Since the period from 1856 to 1888 was one of almost continuous growth and prosperity, these communities were self-absorbed, jealous of rivals, and intent on pressing onwards to their glorious future.9

And a degree of prosperity also played a role. It was the end of this prosperity that forced the issue of protectionism onto the political agenda. The free trade/protectionism split saw organisations with electorate organisation and definite electoral objectives emerge, it divided the old factional system, where government was based on coalitions of independent MPs with strong constituency focusses, and brought a hitherto unseen degree of parliamentary unity. It was around this issue that the first party-like organisations emerge. And it was this that led to the strikes that saw the union movement

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opt for direct representation via the Labor Parties after 1891. Unions had been operating in the
colonies from the 1850s onwards but their political activity had, like other organised interests, been
primarily lobbying government or individual MPs. Their electoral work was largely confined to
sometimes endorsing a preferred candidate. But the union movement gradually started selecting its
own candidates from the late 1880s. The Queensland Trades and Labor Council fielded its own
candidates at both the 1886 and 1888 elections. In 1899, following the breakdown of the governing
colition, the state of Queensland was the location for the world's first labour government (albeit
only for eight days). In New South Wales, the Trades and Labor Council established the Labor
Electoral League in the wake of the 1890 maritime workers' strike as a 'colony-wide permanent
electoral organisation designed to select and pledge candidates and to arouse and lead the Labor
voters'. It returned 35 members to parliament following the 1891 election. The defeat of the 1890
maritime workers' strike in South Australia led to the establishment of the United Labor Party. The
establishment of an Australia-wide Labour Party (it became the Australian Labor Party in 1912) at
federation in 1901 saw labour parties move into the other colonies. Only in Tasmania was the rise
of Labor independent of the union movement: unions in Tasmania had little influence and it was
actually the post-federation movement of Labor into the state that prompted a rise in unionism. It
was the rise of Labor parties that stimulated the rise of coherent liberal and conservative parties in
response, leading to the establishment of the ‘two-party dominant’ pattern of party competition,
between the ALP and some form of anti-Labor coalition, that has persisted ever since in Australian
politics.

In the early years, the predominance of the liberal, pre-party political culture persisted, with the

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10 The strikes of 1890 clearly played a role in giving the new Labor parties momentum, though the decision to form
them preceded the strikes. This was also assisted by the introduction of some form of payment for members, which
allowed a broader and less wealthy range of candidates to aspire to enter parliament.
11 P. Loveday, 1975, 'New South Wales' in D.J. Murphy (ed.), Labor in Politics: The State Labor Parties in Australia,
1880-1920, St Lucia, QL, University of Queensland Press, p.23
extra-parliamentary party struggling to ensure its elected representatives acted in accordance with the party’s wishes. In spite a general suspicion of parliamentarians and the parliamentary process, rules binding the party’s elected members took some time to develop. Once elected, members had little to bind them beyond shared political inclinations and they were ‘as susceptible to offers of coalition honours and parliamentary privileges as anyone else’. A split in the New South Wales parliamentary party over free trade saw the first attempt to instill a degree of caucus discipline, in the face of resistance from some of their notable elected members. This was subsequently adopted in the other jurisdictions.

As the various Labor Parties became viable contenders for office (rather than a block for extracting concessions from others), the extra-parliamentary party attempted to take a firmer control of its MPs. The candidate selection process had been used in New South Wales in an attempt to pressure candidates into supporting a referendum on federalism (against the wishes of some of the parliamentary party). But it was the major split in 1916 over conscription for World War I, in which with serving Prime Minister Billy Hughes and the supporters of conscription were ejected from the party’s ranks, that established the extra-parliamentary Party organisation as the ultimate source of authority in the ALP and bound the party caucus to its decisions:

‘At the cost of bringing down both the Federal and New South Wales Labor governments, expelling the prime minister and State Premier, changing the power balance from Protestants to Catholics, the extra-parliamentary machine had established that it was the final arbiter’

Moreover, it also changed the balance between union and rank-and-file membership. Prior to this, the three strands of the party had operated with a degree of autonomy. But, particularly at state

level, with the extra-parliamentary party exerting its power as the principal to ensure its parliamentary delegates operated accordingly, organisational change allowed the unions to take far greater control of that extra-parliamentary machine. It is control that it has only relinquished gradually.

Whilst the unions ensured for themselves a dominant position in the structure of the party they created, the ALP’s parliamentary leadership was able to operate with a degree of autonomy, particularly at the Commonwealth level. The union policy agenda was relatively narrow, focused on the continuation of protectionism and the maintenance of the White Australia policy aimed at limiting the inward migration of cheap, non-European labour (primarily from Asia) that they feared would put downward pressure on wages.

3. Modern Labor and the union link

The nature of the modern ALP and the role of the unions within it remains contested at a number of levels. In broad ideological terms, it might be argued that the focus on the interests of a relatively small, traditionally white and male, section of the population ignores other sources of inequality that should be targeted. In strategic terms, as discussed in more detail below, unions in general, and those affiliating to the ALP in particular, are seemingly in decline so to afford them a continued, privileged place is to constrain the party's capacity to appeal to the median voter.14 It might also constrain the accommodation to neoliberalism that some would suggest has been made inevitable.

by the impact of global capitalism. And in pragmatic terms, the particular organisational culture that the union affiliation has contributed to, with the unpopular aspects of factionalism that it underpins, portrayed by many as an emphasis on patronage over talent in selection and promotion and largely ideology or policy-free internecine battles for position, has proved a distraction. Former ALP prime minister Bob Hawke, a former union boss himself, claimed that union influence over the ALP had become 'stifling', whilst former leader Mark Latham portrayed their role as akin to Liberal prime minister Robert Menzies' jibe that the party leadership was at the mercy of 'faceless men', writing that:

'I'm not opposed to unionism per se, just the idea of six union secretaries sitting around a Chinese restaurant table planning the future for everyone else'17

The counter-view is put forward by those who regard the union link as synonymous with the party's radicalism is that the distancing has gone too far already. These voices would argue that the party leaders who have been most keen to minimise the union link do so because it constrains their capacity to adopt liberal, pro-business policies. Thus, in place of the union-based democratic socialism, successive party leaders have embraced an ersatz neo-liberalism. Since the end of the post-war boom in the 1970s, the party has sought to accommodate business interests, pressing on the unions wage restraint, decentralisation of wage bargaining, and an end to industrial protection. This has culminated in a situation where:

'...the distance politically between the two has widened to the point where the unions are expected to lobby 'their government' just like any other interest group. Party leaders do not conceive of themselves as part of the wider labour movement—representing the interests of

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16 J. Wright, 2012, 'Gillard Rebukes Hawke on Unions', Sydney Morning Herald, 4 January. His comments earned a swift rebuke from the then-ALP leader Julia Gillard.
labour is not on their agenda'.

Whatever the truth of the changing relationship between the trades unions and the ALP, the official party line remains that the party-union link is a defining feature that must be maintained. A recent review of the party, conducted by three of its grandees, concluded:

Australia’s union movement remains at the bedrock of the Australian Labor Party. The affiliation of trade unions is a key characteristic that makes Labor different from other progressive parties around the world.

From the party's perspective, whilst the union link may be regarded by some leaders as a constraint, there would be significant financial implications in endangering this relationship. Figure One below sets out the pattern of party funding for the ALP by source. The figure clearly demonstrates the continuing financial contribution to the party that the unions make through both direct donation and also through the affiliation of members. However the figure also shows that this reliance has reduced over time. In particular, the introduction of public funding for political parties in the 1980s reduced the ALP’s previously heavy reliance on the union's financial contributions. There is of course a counter-factual argument to be made here in raising the possibility that the closeness of the union-party relationship has constrained the party's capacity to attract a greater volume of private donations from a wider range of donors.

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18 See, for example, A. Lavelle, 2010, ‘The Ties that Unwind: Social Democratic Parties and Unions in Australia and Britain’, Labour History, No.98 (May), pp.55-75
Policy differences have also often put the relationship under strain. In particular, the apparent tension between the protection of the union membership with the apparent imperatives of a globalising economy has caused problems for policy formulation. For example, Gough Whitlam's attack on protectionism in the early 1970s flew in the face of continued union support for continued, high tariffs. Indeed, the wider process of economic liberalisation has created tensions between the trades unions and the ALP, both in and out of government: for instance during the period of intense

20 D. Jaensch, B. Bowden and P. Brent, 2004, Australian Political Parties in the Spotlight, Canberra: Democratic Audit of Australia, p.35
debate over the macroeconomic reforms introduced under Hawke and Keating's prime ministerships and, in opposition, in the run-up to the signing of the Free Trade Agreement with the USA in 2004, which saw the unions opposing the agreement and the party leadership supporting it. In the current term of government, a dispute arose over a proposal to allow mining magnate Gina Rinehart to recruit foreign workers, with the unions implacably opposed and explicitly threatening the minister responsible (and in so doing, highlighting their ongoing role in candidate selection, discussed in more detail below). Yet the level of ongoing conflict described above is in fact evidence of a declining role for the trades unions. The reduced reliance on union funding since the 1980s has reduced their capacity to directly dictate the terms of policy to the ALP in the manner that had previously been the case.

4. Unions in Australia

Figure Two below demonstrates that the decline in union membership in the late twentieth century in Australia has been dramatic. Between 1966 and 1986, the proportion of the workforce who were members of a union fluctuated between 45 per cent and 52 per cent. But since, as the Figure illustrates, the figure has fallen precipitously, from 43 per cent of males and 35 per cent for females in 1992 to just 18 per cent for both in 2011.

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22 Though they were to use the unions in the pursuit of liberalisation through the corporatist Accord.  
In keeping with this decline, the number of union members affiliated to the ALP has declined steadily. The 2010 review of the party found a decline in the affiliated membership from over 1,200,000 in 2002 to fewer than 1,100,000 in 2010. As Appendix A shows, the union affiliation remains dominated by the traditional blue collar unions. The party's system of factions, discussed in section 6, is underpinned by these same unions. This is not only questionable in democratic terms, it is also dysfunctional in terms of practical politics. For, as Figure Three below demonstrates, the party has failed to win the same kind of support amongst the white collar and public sector unions, where union membership is both higher and falling less dramatically. The problem for the ALP is that this situation is unlikely to change with little prospect of the currently unaffiliated unions

25 Australian Bureau of Statistics, 2011, 6310.0 - Employee Earnings, Benefits and Trade Union Membership, Australia, August
joining up in the foreseeable future.27

Figure Three: Trade Union membership in Australia, public versus private sectors.28

5. Organisation

As noted above, as part of the union legacy in the ALP the party has traditionally vested considerable authority in its extra-parliamentary party. Parliamentary representatives were regarded as delegates of the wider labour movement and the principle ensured there were measures in place to minimise agency loss. The most visible aspect of this was the pledge which elected representatives were required to make which bound them to the collectively agreed decisions of the

28 Australian Bureau of Statistics, 2011, 6310.0 - Employee Earnings, Benefits and Trade Union Membership, Australia, August
party. Even by the standards of the Westminster democracies it instilled an exceptionally high degree parliamentary party discipline which the other Australian parties subsequent mirrored. In spite of periods of internecine struggle, parliamentary party discipline remains strong, with floor-crossing extremely rare.

Individual ALP members affiliate to local branches. Above these local branches are the State/Territory party organisations (known as State or Territory branches). Local branches can send delegates to their State or Territory conferences (usually held annually). Nationally, the supreme authority within the party remains the National Conference which is held every three years and to which delegates from the State and Territory branches are sent. The National Executive is in charge of the day-to-day running of the party with the National Conference reduced to major constitutional change and to ratifying the party's platform. The Conference does, however, appoint the National Executive.

Unions which choose to do so affiliate on behalf of their members. In spite of a trend amongst unions to a greater focus on the Commonwealth level and of the attempts by the ALP to move to ‘national’ rules, the unions affiliate at the level of State and Territory branches. They are entitled to send delegates to the conferences in rough proportion to the size of their membership. However, whilst their influence is based on the size of the members they affiliate on behalf of, the actual input of the rank and file union members into the party is frequently negligible. As Parkin observes, in practice, union votes are exercised by union leaders'.29 An organogram showing the basic structure in included in Appendix B.

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Duverger noted the rise of the mass party model was pioneered by left parties. Without the benefit of a small number of wealthy backers, sheer weight of numbers became a political weapon and the individual party subscriptions a source of party income. In return, a degree of intra-party democracy became the norm; a marked contrast to the cadre-type party that vested authority in the party elite.

As Australia's first mass party, the ALP has formally placed a substantial degree of authority in its extra-parliamentary wing. As the key authorities within the party, the decisions of the State/Territory and National Conferences bind their parliamentary parties and, on taking office, parliamentarians are required to pledge to uphold those decisions. But the local branches provide only 50 per cent of the delegates to the State or Territory conferences: affiliated unions are entitled to fifty per cent of the delegates. In turn, votes at National Conference are also evenly split between the State and Territory delegates and those from affiliated unions.

At one level, the 50:50 split between union and party membership delegates represents a decline in union dominance. Prior to the 1970s, up to 85 per cent of State/Territory Conference delegates could be from trade unions. This dominance of the State/Territory Conference in turn yielded effective control of the National Conference and the subsequent selection of the National Executive. The policy platform, which the parliamentary party was pledged to uphold, was drawn up by a committee nominated by the State/Territory Conferences and from which the parliamentary caucus members were excluded: the infamous '36 faceless men' whom Liberal leader Robert Menzies said were dictating policy to the parliamentary ALP. In 1980, this was reduced to a formal 75:25 per cent split between unions and party delegates and subsequently to a 60:40 split and then to the current 50:50. Nonetheless, even at its reduced level, the effect of this is to entrench a major role for the affiliated trade unions in general and, in individual States and Territories, of particular unions, in the party decision making. The consequence is that, whilst the local branch party might remain the


*de jure* building block of the party, the role of the individual membership in determining the direction of the party is negligible. The delegates of the local branches can submit motions to change party policy for consideration and debate at their State/Territory or the National Conference. But in practice, the decisions taken at the conferences will be the result of negotiations between the party leadership, the large affiliated unions and the party secretariats.

In addition to 50 per cent of the votes at the respective conferences, the ALP's constitution gives the unions a further role within party decision making. The Australian Labor Advisory Council (ALAC) is established to help coordinate union input into policy. It comprises the party leader and senior parliamentary party members, the National President and Secretary, and nominees from the Australian Council of Trades Unions (ACTU). The State Labor Advisory Councils play the same role in the States and Territories. And Rule 11 of the federal party's constitution requires individual MPs are required 'to establish dialogue' with local union activists working in their electorate.

### 6. Factions

As already touched upon, if the union's role in the formal organisational structures appears to be gradually diminishing, albeit from a high starting point, it would appear in some respect to be continuing through other means. One aspect of the party's operation which lies outside of its formal constitutional structures, but which plays a crucial role in its operations and decision making, is the system of party factions. All parties have divisions within them, the more so in a predominantly plurality electoral system where coalition-building tends to take place within rather than between parties. However, the ALP's factions are peculiarly prominent and institutionalised. So structured
and well organised are they that it is claimed they represent 'parties in miniature, incorporating a fee-paying membership, their own regular conferences, their own newsletters, elected office holders, and the imposition of factional discipline on their members once policies have been debated and decided upon'. 30 MacAllister emphasises the ideological basis of the factions. Certainly the roots of the factions was loosely ideological and they have maintained their ‘Left’, ‘Centre’ and ‘Right’ labels. But more recent commentary has downplayed the role of ideology as that of personality and patronage become more important. In particular, as discussed in greater depth below, the factions play a central role in the selection of candidates for elected office.

The factions structure internal party competition to a remarkable extent. Leigh sees the origins of the current system emerging in the 1980s in the competition for front bench places. 31 Whilst it is an ALP prime minister's responsibility to allocate individual ministers to specific portfolios, they are supposedly constrained in who they can choose from by the caucus vote. During the mid-1980s, rather than open ballots within caucus, the factional leaders started agreeing between them the number of front bench positions their group was entitled to, on the basis of their nominal caucus strength. They would then hold an internal ballot of their factional members and the caucus vote became a rubber stamping of the pre-agreed slate. But the process has been given momentum by the organisational structure and, particularly the executive decision making role of the State/Territory and National Conferences: in that as the decisions that are taken there are binding there is a clear incentive to try to control their outcome. The resulting factional carve-up has now extended to cover not only the Commonwealth front bench but also selection of candidates to stand for election to the Commonwealth or State/Territory parliaments and even to positions in the party secretariats. As an

example of the carefully orchestrated process, Leigh outlined the entitlements of the New South Wales (NSW) Left faction at the time:

'By virtue of obtaining 35 to 40% of the vote at the annual State Conference of the NSW ALP, [the NSW Left] decides who will fill two positions in the Senate and eight in the NSW Legislative Council. It selects two officers in the NSW Branch—one paid and one unpaid—and around 100 members of the of the NSW ALP's various committees. The NSW Left also plays a major role in preselections for the House of Representatives and the NSW Legislative Assembly'.32

But competition is not always as orderly as this process would suggest. The factional competition for position has frequently boiled over into outright and very public hostility, both within States but also between factions at national level.

The factions and affiliated unions are intimately linked and the operational basis of factional power lies with the affiliated unions. The Australian Workers Union and the Shop, Distributive and Allied Workers Union are mainstays of the Labor Right faction, for example, whilst the Australian Manufacturing Workers Union is allied to the Left. Unions thus affiliate to the factions as well as to the party. With the membership numbers of the affiliated unions deployed by the union leaders rather than the members themselves, and with the unions' privileged position in the party decision making process, the union leaders have become key factional powerbrokers whose support can be decisive in deciding a pre-selection contest or a parliamentarian's promotion to the front bench. However, the factions are not always unitary actors in this regard. They have sub-factions within them, based around a particular prominent party figure or union. And, reflecting the federal

structure of the party and State/Territory level union affiliation, the State/Territory can become a further internal party cleavage at the Commonwealth level.

Whilst the factional system may have emerged to structure internal party competition, it has seemingly been the source of considerable instability with internal competition played out through the pre-selection (and inevitable de-selection) of parliamentary candidates and in other party appointments and the perception that unions' role in it is somewhat oligarchic in nature. After a period of considerable leadership instability, the recently reinstated ALP leader Kevin Rudd sought to reduce the factional, and hence union, role in selecting the party leader. As well as requiring a super-majority in caucus to force a leadership challenge (75 per cent in government, 60 per cent in opposition), rather than being decided entirely in caucus, it is proposed that rank-and-file members would comprise 50 per cent of the votes in a leadership election. However the change has yet to be ratified by in National Conference where unions may remain a key veto player. Yet, as with the apparent dominance of the unions in the formal organisational structure of the party, at the Commonwealth level at least, union influence through the factional system has appeared to be directed at appointments rather than the policy.

7. Candidate Selection

Selecting the local candidate to stand in for the House of Representatives or the State or Territory Assembly was originally the preserve of the local branches but it is a role, for the most part, they are were soon required to share: the rules governing pre-selection vary between the States and Territories but only in New South Wales and the Australia Capital Territory is it solely the local
branches that elect the candidate (and in New South Wales, the central, factional dimension reasserted itself through the ‘branchstacking’ phenomenon, where the membership roles of the local branch are artificially inflated through spurious enrolments). In the other jurisdictions, there is a degree of input from the central party. In some jurisdictions, the pre-selections are decided on the basis of a plebiscite of the local membership as well as a vote in State Conference. In others, a separate committee, a subset of the State Conference delegates, provides the central party counterweight to the local memberships' vote (see Figure Four).

The central input into the selection of parliamentary candidates has ensured that the pre-selection process has become perhaps the most visible aspect of the intra-party factional divisions within the party and, consequently, the affiliated unions are at the heart of the process. The central selection bodies essentially reflect the factional strength of the party in the state at that time and with the central component usually ensuring that their preferred candidate triumphs over the local choice, preselection, and the power of patronage that it hands the factional leaders, is the key means by which the factional system in the party is maintained and deals over seats done between them.

Figure Four: ALP Candidate Selection

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<td>House</td>
<td>Senate</td>
</tr>
<tr>
<td>ACT</td>
<td>Local plebiscite</td>
<td>Territory wide plebiscite</td>
</tr>
<tr>
<td></td>
<td>Local plebiscite</td>
<td>State Conference</td>
</tr>
<tr>
<td>NSW</td>
<td>(though central)</td>
<td>(though central influence)</td>
</tr>
<tr>
<td></td>
<td>Local plebiscite</td>
<td>State Conference</td>
</tr>
<tr>
<td></td>
<td>N.A.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>influence N40 clause)</td>
<td>N40 clause)</td>
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</tr>
<tr>
<td><strong>NT</strong></td>
<td>State executive</td>
<td>Local plebiscite (50%) plus Electoral College (50%)</td>
</tr>
<tr>
<td></td>
<td>State executive</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>QL</strong></td>
<td>Local plebiscite (50%) plus State Electoral College (50%)</td>
<td>Local plebiscite (50%) plus State Electoral College (50%)</td>
</tr>
<tr>
<td></td>
<td>State Electoral College comprises Federal caucus member (C'wealth) or State leader (State) plus 48 union members elected from delegates to State Conference.</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>SA</strong></td>
<td>Local plebiscite (25%) plus State Convention (75%). Two thirds of State Convention vote to union delegates.</td>
<td>Local plebiscite (25%) plus State Convention (75%). Two thirds of State Convention vote to union delegates.</td>
</tr>
<tr>
<td></td>
<td>State Council (50% to union delegates)</td>
<td>State Council (50% to union delegates)</td>
</tr>
<tr>
<td><strong>TAS</strong></td>
<td>Local plebiscite (50%) plus State Conference (50%)</td>
<td>Local plebiscite (50%) plus State Conference (50%)</td>
</tr>
<tr>
<td></td>
<td>State membership plebiscite (50%) plus State Conference (50%)</td>
<td>Little formal process because the ALP is hardly ever succesul in Leg Council elections. But The party may decide to endorse a candidate for a</td>
</tr>
<tr>
<td>Legislative Council election' (rule 11.11)</td>
<td>VIC</td>
<td>WA</td>
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<td>---</td>
</tr>
<tr>
<td>Local plebiscite plus Public Office Selection Committee (POSC)</td>
<td>POSC</td>
<td>Local plebiscite plus POSC</td>
</tr>
<tr>
<td>Local plebiscite plus vote of State Executive membership (or just State Executive if party's electorate membership is less than 40).</td>
<td>State Executive</td>
<td>Local plebiscite plus vote of State Executive membership (or just State Executive if party's electorate membership is less than 40).</td>
</tr>
</tbody>
</table>

The expressed preferences of the local rank and file membership are in most instances then, only one of the factors determining the local candidacy. And even where it is nominally the sole determinant, central control can be reasserted. The branches' rule books allow the central party to override normal procedure and select their preferred candidate in certain circumstances, such as where there are local irregularities or where there is insufficient time to conduct the local poll. In New South Wales, section N.40 of the party rule book allows the State Administrative Committee to impose its candidate when 'the Party is on a campaign footing, as determined by the Administrative Committee or...in other other urgent situations' [italics added]. This clause has been interpreted liberally in a number of instances as a means by which the centre has sought to reassert
control over the pre-selection process. To sum up, the centrality of the factional system has continued to ensure that the unions have maintained an absolutely central role in the selection of parliamentary candidates. And their support is vital to the successful candidates capacity to continue to hold their seat.

8. Legislative Recruitment

As a party founded to express union interests, the party's elected members have been strongly drawn from the union movement. Much has been made of the union-parliamentary party connection, not least by the Coalition. In the campaign for the 2007 federal election, the number of ALP frontbench members with unions connections was highlighted by their right-of-centre opponents (see Figure Five below).

Figure Five: Liberal Campaign Poster, 2007 General Election

In a similar vein, Figure Six gives the ALP MPs and Senators in the 2010 Commonwealth parliament who, on the basis of the information in the Parliamentary Handbook, have previously worked for a union in some capacity. The figures should be treated with a degree of caution as they

are based on self-declaration, and no distinction is made between those who led unions, who worked in the secretariats (or the capacity they worked there in), or who were local organisers. However, the current cabinet includes former ACTU national secretary Greg Combet, former ACTU presidents Simon Crean (a former ALP leader) and Martin Ferguson, and former Australian Workers' Union secretary Bill Shorten, as well as many more with solid union connections.

Figure Six: Former union employees in Commonwealth Parliament

<table>
<thead>
<tr>
<th></th>
<th>Total ALP membership</th>
<th>Former union employee</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senate</td>
<td>31</td>
<td>21</td>
<td>67.74%</td>
</tr>
<tr>
<td>House</td>
<td>71</td>
<td>29&lt;sup&gt;35&lt;/sup&gt;</td>
<td>40.85%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>102</td>
<td>50</td>
<td>49.01%</td>
</tr>
</tbody>
</table>

9. Conclusions

The relationship between the ALP and its affiliated unions seems to present something of a paradox. As a creation of the union movement rather than a strategic alliance between organised labour and a separate but sympathetic party as the SPD might be characterised, the institutional links between the trades unions and the ALP remain strong. The unions nominate 50 per cent of the delegates to main conferences, maintain places on various committees including those involved in policy development and, in most States/Territories, those involved in the selection of candidates to stand for parliament at both State/Territory and Commonwealth level. Whilst it may have reduced, it is undeniable that


35 The figure includes Craig Thomson who, at the time of writing, has had his ALP membership suspended over accusations that he paid for prostitutes with his union credit card whilst head of the national secretary of the Health Services Union.
the unions retain a major position within the formal party structure. And through the factional system, the unions (or at least some of them) are able to exert further influence over the party, particularly through the selection of candidates for parliament. Their position within the party is sufficient for former leaders (such as Hawke and Latham quoted earlier) to bemoan their influence, suggesting that they can at least constrain the scope for the party to develop policy that appeals to a wider constituency. In this respect, it would seem that the affiliated unions have maintained their ability to exert *ex ante* control over the party's activities. That the relationship continues in the face of the pressures towards 'delinking' would support this assertion. Yet, at the Commonwealth level at least, the union link has seemingly done little to impede the gradual adoption of a more economically liberal, catch-all strategy aimed at the median voter. Indeed, it has been argued that the Blairite Third Way emphasis on economic liberalisation in the UK was pre-empted by the macro-economic reforms of the ALP governments of Hawke and Keating.

The relative distance of the Commonwealth party from the unions would go some way to explaining this paradox. With union affiliation at State/Territory level, direct union control of the Commonwealth party is more prone to the principle-agent problems described earlier. With economic policy a federal competency, this would allow Commonwealth ALP governments a degree of latitude in the pursuit of economic liberalisation that their State/Territory counterparts might not enjoy. Indeed, the abject failure of Maurice Iemma's Labor government in New South Wales’ well-founded but acrimonious plans to privatise power generation in the State against the wishes of the major affiliated unions would tend to support this. But, through the factional control of pre-selection, the unions still have the means to influence the Commonwealth party through their

*ex ante* control of candidates (and their *ex post* power to replace sitting members). The dominance of the Right faction, with its relatively pragmatic focus on bread and butter gains for members might also have contributed to this. But the example of power generation in New South Wales (where the Right faction has been particularly strong) would suggest that the dominance of a particular faction can be no more than a contributory factor. In the fall of Iemma, raw union power still called the shots.

But the impact of the structural changes that have encouraged social democratic parties and unions to delink have worked to weaken the capacity of the affiliated unions, as principals, to implement their control over the agents. Whilst the instruments to exert control over the party remains, the unions have ultimately been reliant on the ALP to successfully win office and have consequently found themselves relatively powerless to oppose its adoption of median voter strategies. The union campaign against the Coalition's WorkChoices industrial relations reforms illustrates this. The campaign was run independently of the ALP and consequently included both ALP-affiliated and non-affiliated unions. The campaign was seen as very successful and contributed to the defeat of John Howard's long-lived Coalition government. Yet, they ultimately had to settle for the ALP's alternative that modified rather than abandoned the Coalition's policy.38 The Greens' opposition to WorkChoices was far stronger and, unlike the ALP, they committed to abandon WorkChoices in its entirety and return to the *status quo ante* in the (somewhat far-fetched) event of their forming the next Australian Commonwealth Government. It is no surprise therefore that some unions have flirted with other parties. As well as The Greens, The Democrats, a social liberal party that had a significant presence in the Senate from the 1970s until its effective demise following the 2007 election attracted appealed to some union members. But, like The Democrats before them, the

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38 It was labelled 'WorkChoices lite' by critics.
Greens could at best hope for sufficient numbers to play a blocking role in the Senate rather than office in their own right. Moreover, The Greens' post-materialism, social liberalism and, in particular, their environmental policies have put them in direct opposition to several unions. So, whilst it is undoubtedly reduced, the role of the affiliated remains prominent. Clearly, whilst there may be electoral pressure on the leadership to balance union interests with others, including business, the relationship between the Australian trades unions and the ALP is not 'like any other interest group'.

For any student of the ALP, the union relationship remains absolutely fundamental to both explaining how the party sees itself and also the way in which it operates.

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Appendix A: Affiliated Trade Unions by State 40

40 Information from State/Territory ALP websites except for NT, SA and TAS which were taken from Andrew Parkin and John Warhurst (eds), 2000, The Machine: Labor Confronts the Future, Sydney: Allen and Unwin
<table>
<thead>
<tr>
<th>Australian Capital Territory</th>
<th>United Firefighters Union of Australia (UFUA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Meat Industry Employees Union (AMWU)</td>
<td>United Voice</td>
</tr>
<tr>
<td>Australian Manufacturing Workers Union (AMWU)</td>
<td>New South Wales</td>
</tr>
<tr>
<td>Australian Services Union (ASU C&amp;A)</td>
<td>Australian Institute of Marine and Power Engineers (AIMPE)</td>
</tr>
<tr>
<td>Australian Services Union - Clerical Division (ASU (SACS))</td>
<td>Australian Manufacturing Workers Union (AMWU)</td>
</tr>
<tr>
<td>Australian Workers Union (AWU)</td>
<td>Construction, Forestry, Mining and Energy Union (CFMEU), Services Branch</td>
</tr>
<tr>
<td>Communication, Electrical and Plumbing Union (CEPU)</td>
<td>Australasian Meat Industries Employees Union (AMIEU), NSW Branch, Newcastle Branch</td>
</tr>
<tr>
<td>Postal and Telecommunications Division (CEPU P &amp; T))</td>
<td>Australian Workers Union (AWU), Glassworkers Union, Greater NSW Branch, Newcastle Branch, Port Kembla Branch</td>
</tr>
<tr>
<td>Telecommunications and Services Division (CEPU T &amp; S))</td>
<td>Construction, Forestry, Mining and Energy Union (CFMEU), Construction and General Division, Mining and Energy Divisions</td>
</tr>
<tr>
<td>Community and Public Sector Union (CPSU)</td>
<td>National Union of Workers (NUW)</td>
</tr>
<tr>
<td>Health Services Union of Australia (HSUA)</td>
<td>Public Transport Union (PTU)</td>
</tr>
<tr>
<td>National Union of Workers (NUW)</td>
<td>Communications, Electrical, Plumbing Union (CEPU), Postal and Telecommunications Branch, Telecommunications and Services Branch,</td>
</tr>
<tr>
<td>Public Transport Union (PTU)</td>
<td>Shop, Distributive and Allied Employees Association (SDA)</td>
</tr>
</tbody>
</table>
Plumbers Division  Australian Meat Industry Employees Union
Electrical Trades Union (ETU)  Australian Liquor Hospitality and Miscellaneous Workers Union
Finance Sector Union (FSU)  Workers Union
Health Services Union (HSU)  Australian Manufacturing Workers Union
Industrial Staff Union (ISU)  Australian Services Union
Liquor, Hospitality and Miscellaneous Workers Union (LHMU), Liquor and Hospitality Division, Plumbing Union [Postal and Telecoms Division]
Miscellaneous Workers Division  Federated Industrial Manufacturing and Engineering Employees Association
Maritime Union of Australia (MUA), Central  Engineering Employees Association
NSW Branch, Northern and Southern Branch  Shop Distributive and Allied Employees
Media, Entertainment and Arts Alliance (MEAA) Association
National Union of Workers (NUW)  Transport Workers Union
Rail, Train and Bus Union (RTBU)  Transport Workers Union
Shop, Distributive and Allied Employees
Association (SDA), NSW Branch, Newcastle and **Queensland**
Northern Branch  AIMPE – Queensland District
Textile, Clothing and Footwear Union (TCFUA)  ASU Central and Southern Queensland, Clerical and Administrative Branch
Transport Workers Union (TWU)  ASU Queensland
United Services Union (USU), NSW Local  ASU Queensland
Government, Clerical, Administrative, Energy, Airline and Utilities Union  Australasian Meat Industry Employees’ Union
Northern Territory  Communications Electrical Plumbing Union

34
<table>
<thead>
<tr>
<th>Union</th>
<th>Branch</th>
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<tbody>
<tr>
<td>Communication Workers Union</td>
<td>Information, Postal, Plumbing and Allied Services Union of Australia</td>
</tr>
<tr>
<td>Community and Public Sector Union</td>
<td>Construction Forestry Mining and Energy Union</td>
</tr>
<tr>
<td>Construction, Forestry, Mining and Energy Union (Construction)</td>
<td>Health Services Union of Australia</td>
</tr>
<tr>
<td>Construction, Forestry, Mining and Energy Union (Mining)</td>
<td>Maritime Workers Union of Australia</td>
</tr>
<tr>
<td>Electrical Trades Union</td>
<td>Media Entertainment and Arts Alliance</td>
</tr>
<tr>
<td>Finance Sector Union of Australia</td>
<td>Shop Distributive and Allied Employees Association</td>
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<tr>
<td>Maritime Union of Australia</td>
<td>Textile Clothing and Footwear Union</td>
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<tr>
<td>National Union of Workers</td>
<td>United Firefighters Union</td>
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<tr>
<td>Plumbers Union</td>
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<tr>
<td>Rail, Tram and Bus Industry Union</td>
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<td>Shop Distributive and Allied Employees Association</td>
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<tr>
<td>Transport Workers Union</td>
<td>Australian Manufacturing Workers Union</td>
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<tr>
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<tr>
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<td>Miscellaneous Workers Division</td>
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<td></td>
<td>Liquor and Hospitality Division</td>
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<tr>
<td>South Australia</td>
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</tr>
<tr>
<td>Australian Liquor Hospitality and Miscellaneous Workers Union</td>
<td>Textile Clothing and Footwear Union</td>
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<tr>
<td>Australian Services Union</td>
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<td>Australian Workers Union</td>
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<tr>
<td>Communications Electrical, Electrical Energy,</td>
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<tr>
<td></td>
<td>United Firefighters Union</td>
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</tbody>
</table>
National Union of Workers
Australian Meat Industry Employees Union
Australian Workers Union
Australian Services Union

Victoria
Australian Manufacturing Workers Union
Australian Services Union
Australasian Meat Industry Employees Union
Australian Institute of Marine & Power Engineers
Australian Workers Union
Blind Workers Union

Communications, Electrical and Plumbing Union

of Australia

West Australia

Australian Manufacturing Workers Union
Australian Institute of Marine Power Engineers
Australian Meat Industries Employees Union
Australia Rail, Tram & Bus Industry Union
Australian Worker's Union
Breweries and Bottleyards Employees Union
CEPU Communications Workers Union
CEPU Electrical Union
CFMEU Construction & General Division
CFMEU - Mining Division
Finance Sector Union
Food Preservers Union
Maritime Union of Australia
National Union of Workers
Shop, Distributive and Allied Employees Union
Transport Workers' Union
United Firefighters Union of WA
United Voice
Western Australian Prison Officers' Union of Workers