

State of assistance? Political parties and state support in Australia

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ABSTRACT

This paper investigates the extent of state resources offered to political parties and parliamentarians in Australia. I chart the evolution of these resources, or ‘state subventions’. I argue that the established parties in Australia are the major beneficiaries of these subventions, despite the stated aim of some funding programs to open up the political process to new entrants. While minor parties have won Senate representation, the established parties continue to dominate national politics overall and to receive the greatest benefit from state subventions. I conclude that the concentration of increasingly generous state subventions on the major parties can be understood as elements of party ‘cartelisation’ in Australia.

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The entitlements and resources afforded to parliamentarians and political parties at a federal level in Australia have been much debated by political scientists and the wider community.¹ In recent times public perceptions that politicians are self-interested have been reinforced by the increasing amounts of ‘slush’ money incumbent parliamentarians are making available to themselves (Kelly 2006, p. 2). And incumbent parliamentarians get more than slush money: they also enjoy personal staff, offices, vehicles, printing facilities and other services, all funded by the taxpayer. In addition to the increasing benefits *parliamentarians* receive are the public funds paid to political *parties* to assist with the costs of elections. These extensive benefits do more than undermine the public’s faith in politicians; access to generous resources entrenches the major parties in Australia, while disadvantaging potential new entrants into the political system (Kelly 2006).

To examine the impact of these resources, sometimes called ‘state subventions’, this paper charts the evolution of public funding to political parties and to federal Senators and Members of the House of Representatives in Australia from 1984 (when state funding of elections was implemented) to the last federal election of 2004. At the time it was implemented, state funding of elections was justified as encouragement for new parties to contest elections and win representation in parliament. However, I argue that, despite such noble intentions, Australian politics has continued to be dominated by the established parties; namely the Australian Labor Party (ALP), and the Liberal and National parties. Although some new parties have been represented, especially in the Senate, they have had limited and patchy success. Indeed, the established parties have consistently won a commanding share of Senate seats—and an overwhelming share of state subventions. Thus, my focus is state subventions and the degree to which political parties use the state’s financial and material resources to buttress their position in the polity. In so doing, I provide some evidence that a degree of ‘party cartelisation’ is occurring in the Australian polity.

In addition to parliamentary documents and secondary literature, my sources include data published by the Australian Electoral Commission (AEC). Following federal elections, the Commission produces a variety of data, which I use to investigate the levels of state funding offered to political parties. I also draw on my own interviews with parliamentarians, staffers, and members of political parties. These respondents generously volunteered their time to be part of face-to-face discussions for this research, the findings of which illustrate the political value of state resources.

¹ See, for example, Farrow (1995); Cass & Burrows (2000); Young (2003); Kelly (2006).

State subventions: State funding of parties in Australia

I begin with the history of party funding by the AEC, which is an independent statutory authority established to conduct federal elections and referendums. This funding is available to all political parties contesting a federal election, regardless of size or parliamentary representation, and is paid after an election is completed. (Parties need to gain at least four per cent of the primary vote in the contested area to be able to gain this funding.) At present, the rate of election funding is indexed every six months to increases in the Consumer Price Index (Australian Electoral Commission 2000, p. 3).

Election funding for political parties was established by the *Commonwealth Electoral Legislation Amendment Bill 1983*. When introduced by the Hawke Labor government the election funding scheme was intended to assist political parties ‘defray the direct costs incurred in a federal election campaign’ (Australian Electoral Commission 2000, p. 5). The legislation, which also established the current AEC, was opposed by the Liberal and National parties on philosophical grounds. In particular the Liberal party argued that ‘taxpayers should not be forced to subsidise parties they oppose or find morally objectionable’ and that public funding would ‘entrench incumbent politicians and parties to the disadvantage of new groups, parties or interests’ (Joint Select Committee on Electoral Reform 1983, p. 149–150).

The Bill sought to increase equity between the parties competing at elections and also encourage minor parties to stand for election. The Australian Democrats, as the only minor party in parliament at that time applauded public funding and successfully argued to lower the funding threshold from ten per cent to four per cent of primary votes (Goot 2003, p. 22).² The Bill also included provisions for disclosing donors to parties. These measures aimed at reducing the possibility of corruption that could result from private donors pressing their interests on parties to which they made contributions. At the time, Kim Beazley, as Special Minister of State, argued that the ‘price of public funding is a small insurance to pay against the possibility of corruption’ (1983, p. 2213).

When the scheme began, the amount of funding per formal first preference vote was 60 cents for the House of Representatives and 30 cents for the Senate. Funding was not intended to subsidise parties’ administration costs or to provide a ‘financial base’ from which future election campaigns could be fought (Australian Electoral Commission 2000, p. 5). Rather, the scheme was a ‘strict reimbursement scheme’ which limited the amount of funding payable to parties to cover the costs directly of that campaign (Australian Electoral Commission 2000, p. 5). In administering this scheme, the AEC ‘demanded original vouchers’ of claimed expenditure and ‘would only accept claims for what were considered to be expenditures additional to the ongoing costs of maintaining and running a political party’ (Australian Electoral Commission 2000, p. 5).

² Initially, however, the Democrats proposed that there be no threshold (Joint Select Committee on Electoral Reform 1983, p. 149).

In 1995 the Keating Labor Government introduced a new model of reimbursement. In essence parties were no longer to be reimbursed for their election expenditure, but were to be *rewarded* for the number of votes they received at an election. The parties received a set dollar amount for each vote they received at an election once they got to four per cent of the vote. However, parties were still required to provide an account of their campaign expenditure to the AEC. The election funding became an ‘entitlement paid automatically’ by the AEC (Australian Electoral Commission 2000, p. 5). The AEC contended that this shift did not alter the ‘underlying principle that funding was provided to parties’ as a ‘subsidy to their costs of contesting’ an election (Australian Electoral Commission 2005, p. 5). However, the legislative amendments changed the basis for election funding to a ‘reward-per-vote’ system, regardless of campaign expenditure. The difference between funding rates for the House of Representatives and the Senate was also abolished.

After the 1996 election, the Howard Coalition Government passed the *Electoral and Referendum Amendment Act 1998*, which included several changes to the disclosure provisions. Significantly, the Act abolished the requirement that political parties provide electoral expenditure returns. The Act also abolished the requirement that parties disclose details of expenditure in annual returns. These amendments allowed parties to operate without the AEC being kept aware of their campaign expenditure. This, in turn, makes it difficult to ascertain whether parties make a ‘loss’ or ‘profit’ after an election campaign without referring to ‘leaked’ reports from the parties or anecdotal evidence.

Table 1. Number of Parties Receiving Payment from the AEC following an Election

Election Year	Number of Parties receiving payment from AEC ^a
1984	9
1987	7
1990	9
1993	9
1996	7
1998	12
2001	11
2004	9

^a Each national party, comprising of its various branches, is considered to be one party. Despite being different organisations the CLP is included with the National Party and the Green parties are considered to be one party as each organisation shared identifiable values and pursued similar policy goals.

Sources: Australian Electoral Commission (1987, 1988, 1991, 1994, 2005c, 2005d, 2005e).

As I have noted, a key rationale for the introduction of state funding to parties at elections was to encourage parties to contest elections. Table 1 shows no clear trend towards an increasing number parties receiving payment from the AEC following an election. In 1984, when the scheme was first introduced, nine parties received payment. The number of parties was relatively stable from 1984 to 1996 but in 1998 a record twelve parties were in receipt of AEC funding, though this number fell to eleven in 2001. In 2004 the figure had gone back to nine parties. Clearly the changes to electoral funding have failed to elicit a swell in the numbers of parties receiving payment from the AEC. Rather, the figure has remained relatively stagnant aside from a peak in 1998.

State funding: Who benefits?

Although the number of parties receiving support has not increased over the last two decades, the amount of funding has risen sharply (see Table 2). In 1984 the funding to parties was under \$8 million. By 2004 this had shot up to over \$41 million. The biggest jump occurred between the 1993 and 1996 elections, when the amount of funding more than doubled from less than \$15 million in 1993 to nearly \$32 million in 1996. One reason for this sudden increase could be the increased costs of advertising. However, changes to the funding framework introduced by the Keating Government also played a part. The ‘reward-per-vote’ system proved to be of great financial benefit to parties, especially now that increased funds could also be used to fund administrative expenses.

Table 2. AEC Funding of Elections

Election Year	Basis for AEC Funding	Total amount paid by AEC to parties only (\$)
1984	Claimed expenditure by parties for the cost of campaigning in the particular election	7,783,000
1987	Claimed expenditure by parties for the cost of campaigning in the particular election	10,222,000
1990	Claimed expenditure by parties for the cost of campaigning in the particular election	12,750,000
1993	Claimed expenditure by parties for the cost of campaigning in the particular election	14,761,000
1996	AEC funding per vote (157.594 cents)	31,935,000
1998	AEC funding per vote (162.210 cents)	33,718,000
2001	AEC funding per vote (179.026 cents)	38,161,000
2004	AEC funding per vote (194.397 cents)	41,344,000

Sources: Australian Electoral Commission (1987, 1988, 1991, 1994, 2005c, 2005d, 2005e).

AEC funding, which continues to increase, provides a stable financial base for the established parties to fund their electoral actions. Yet at the 1996 election, the last at which parties were required to disclose details of campaign expenditure, only the National Party and Australian Democrats spent less than they received, thus making a 'profit'. The National Party spent \$2.86 million but received \$3 million from the AEC (Australian Electoral Commission 2000, p. 11). The Democrats made a 'profit' of \$1.35 million. The two major parties each spent more money than they received from the AEC. Labor 'lost' about \$1 million and the Liberal Party's loss was more than \$1.34 million. The Greens also made a 'loss', receiving about \$280,000 after spending more than \$408,000. This challenges the assumption that all parties benefit from a financial windfall after an election.

Further evidence suggests that parties do not 'profit' from elections. For example, it was reported that the major parties spent a combined \$40 million on the 2004 campaign (Catalano 2004, p. 5). This compares to their combined income from the AEC of under \$35 million, suggesting that they spent some \$5 million more on their campaigns than they received in state subventions. However, Thomson (2005) later pointed out that the Liberal Party, the Labor Party, the National Party, Family First, and the Greens spent a combined total of \$35.7 million. Again, it is important to note ongoing confusion about the total amounts spent by the parties. For example, Lloyd (2001) estimated total campaign expenditure by the two major parties to be over \$17 million for the 2001 election. On the other hand, Lawson (2001) estimated the parties spent \$30 million for the same election. Abolishing the requirement for parties to disclose these figures has caused this confusion.

Table 3. Funding for Major Parties from the AEC Following an Election

Election Year	Total Funding from AEC (\$)	Australian Labor Party	Liberal Party of Australia	Percentage of Total Funds taken by Major Parties
1984	7,807,000	3,669,000	2,597,000	80%
1987	10,299,000	4,759,000	3,496,000	80%
1990	12,879,000	5,301,000	4,612,000	77%
1993	14,889,000	7,099,000	5,698,000	86%
1996	32,155,000	12,856,000	12,490,000	79%
1998	33,921,000	14,011,000	11,489,000	75%
2001	38,559,000	14,917,000	14,492,000	76%
2004	41,926,000	16,710,000	17,956,000	83%

Sources: Australian Electoral Commission (1987, 1988, 1991, 1994, 2005c, 2005d, 2005e).

The parties argued that filing the election returns created an ‘excessive administrative burden’ but have ‘undermined the original purpose of the scheme to publicly fund election campaigns’ (Miskin & Grant 2004). However, abolishing the requirement for parties to lodge returns has created a climate in which parties can ‘profit’ by being paid public funding more than it spent on its election campaign (Miskin & Grant 2004). With the increasing payment rate, Australian parties can continue to count on the state providing a stable avenue of financial resources following general elections.

If state funding for elections supported the emergence of new parties, we would expect to see a decrease in the share of funds going to the major parties. Yet although there has been a steady growth in funding after elections, the share of funds taken by the major parties has actually remained steady. As Table 3 illustrates, the major parties collected 80 per cent of the total amount of electoral funding after the 1984 election. The highpoint of major parties’ share of election funds was in 1993 when they gained 86 per cent of total funds while this figure fell below 80 per cent for the three subsequent elections. The 1998 election was the lowest point in the twenty year period where the major parties received ‘only’ 75 per cent of election funding. However, the 2001 and 2004 elections saw their share rise once again. These data show that the share of funding taken by the major parties can vary, but there is no general trend suggesting a decline. On the contrary, the increasing share of funds in 2001 and 2004 suggest that the major parties have strengthened their hold on the majority of election funding in recent times.

Table 4 shows the percentage of state funding given to parties which already have parliamentary representation. It is clear that parties with parliamentary representation are advantaged: they have consistently been able to attract over 97 per cent of election funding. In 1984 more than 97 per cent of AEC payments were made to parties already in parliament. This peaked to more than 99 per cent in 1987, 1996 and 1998. As Table 4 shows, 1987 was the lowest point of incumbent parties receiving electoral funding. Only in 2004 was the next lowest percentage, though it was still above 98 per cent. There is a difference of around two per cent between the highest and lowest percentage of funds taken by incumbent parties. This indicates rigidity in the Australian system, such that virtually all funds are taken by incumbent parties.

However, like Goot (2003), I recognise that the regulatory climate established by the incumbent parties has offered ‘outside’ parties the opportunity to win parliamentary representation. We can see this when we consider the Senate in particular. As Table 5 shows, numerous minor parties have been elected to the Senate since 1984, with the Democrats being the most successful during this period. Other parties such as the Nuclear Disarmament Party, the Vallentine Peace Group, and Pauline Hanson’s One Nation have also been successful—although only briefly—in winning representation. The Greens have improved their electoral performance, consistently winning representation in all elections since 1990, except for 1998.

Table 4. Funding of Incumbent Parties

Election Year	Total Funding from AEC (\$)	Amount Received by Incumbent Parties ^a (\$)	Percentage of Total Funds taken by Incumbent Parties
1984	7,807,000	7,577,000	97.1%
1987	10,299,000	10,222,000 ^b	99.3%
1990	12,879,000	12,718,000	98.7%
1993	14,889,000	14,717,000	98.9%
1996	32,155,000	31,883,000	99.2%
1998	33,921,000	33,625,000 ^c	99.1%
2001	38,559,000	37,970,000	98.5%
2004	41,926,000	41,173,000 ^d	98.2%

^a Incumbent Parties are those political organisations with parliamentary representation. These figures include the Country Liberal Party from the Northern Territory. They also include funding to Australian Green parties and the West Australian Greens, which were different organisations at the time but identifiably shared values and pursued similar goals. (The West Australian Greens subsequently joined the Australian Greens in late 2003.)

^b This figure includes funding to the Vallentine Peace Group and Nuclear Disarmament Party as Senator Jo Vallentine was the incumbent senator at this time and was elected as a candidate of the NDP.

^c This figure also includes funding to Pauline Hanson's One Nation Party. Despite Hanson being elected as an independent at the 1996 election, she subsequently formed the One Nation Party while serving as the Member for Oxley, warranting the inclusion of One Nation as an incumbent party at the 1998 election.

^d At this election Pauline Hanson unsuccessfully contested a Queensland Senate position, but received \$199,886.77 from the AEC. This amount is not included in the above table as Hanson ran as an independent and not as a candidate for One Nation.

Sources: Australian Electoral Commission (1987, 1988, 1991, 1994, 2005c, 2005d, 2005e).

On one hand, Table 5 shows that there has been relatively little deviation in the number of parties winning Senate seats. In 1984 five parties were elected. The number peaked in 1987 (a double dissolution election) when seven parties gained Senate representation. The number of parties decreased to five in 1990; the same number of parties elected to the Senate in 1996, 2001, and 2004. In 1993 and 1998 however, six parties were elected to the Senate. On the other hand, ten parties have been represented in the Senate over the twenty year period, although only the three established parties (the ALP, the Nationals and the Liberal Party) have won seats consistently. Other parties have been unable to gain multiple seats in the Senate consistently.

Table 5. Number of Senate seats won by parties at elections 1984–2004

	1984	1987 ^a	1990	1993	1996	1998	2001	2004
Australian Labor Party	20	32	15	17	14	17	14	16
Liberal Party	16	26	16	15	17	15	17	17
National Party ^b	4	8	3	4	3	2	3	4
Australian Democrats	5	7	5	2	5	4	4	0
Nuclear Disarmament Party	1	1	0	0	0	0	0	0
Brian Harradine Group	0	1	0	1	0	1	0	0
Vallentine Peace Group	0	1	0	0	0	0	0	0
Greens ^c	0	0	1	1	1	0	2	2
Pauline Hanson's One Nation	0	0	0	0	0	1	0	0
Family First	0	0	0	0	0	0	0	1

^a Double dissolution election.

^b This figure includes seats won by the Country Liberal Party in the Northern Territory.

^c This figure includes seats won by different divisions of the Greens.

Source: Australian Government and Politics Database.

Parliamentary rewards

State support for party political activity extends beyond AEC electoral funding to include many of the entitlements of Senators and Members of the House of Representatives. These entitlements, while formally attached to the conduct of parliamentary business, can be used to support party political activities, and so constitute a second form of state subvention in the Australian party system. Parliamentary entitlements are established by seven acts of parliament. Particularly significant here, however, is the *Parliamentary Entitlements Act 1990* and associated Parliamentary Entitlements Regulations, which are administered by the Department of Finance and Administration. These regulations document the level of state resourcing afforded to parliamentarians.

In 2001, the Howard Government fixed the printing allowance for members of the House of Representatives at \$125,000 per year. Yet the average amount spent on electoral printing was \$37,287 for Members and \$7,103 for Senators (Australian National Audit Office 2001, p. 181).³ In essence the Government was encouraging

³ A Senator's printing allowance is far less generous, because it is based on five to ten reams of paper. As Senator Bob Brown highlighted in the debate about printing allowances in 2003 (p. 14168) the Senate spent just under \$500,000 for 2002–03. In contrast the House of Representatives had spent \$22.5 million in the same period.

Members to spend, on average, nearly \$90,000 more per annum on printing. The majority of these funds would be spent on canvassing by mail to constituents (Sawer 2004). While the generous amount of the printing allowance was opposed by the Greens, Democrats, and Labor, these parties generally supported the idea of the allowance being capped (Brown 2003, p. 14169; Murray 2003, p. 14171; Ray 2003, p. 14181). This was primarily because capping the allowance would ensure that all parliamentarians had equal printing entitlements. A cap would also remove the potential—and temptation—for some parliamentarians to exploit an effectively infinite printing allowance.

In 2003 the government tried to increase the allowance again from \$125,000 to \$150,000. The proposed amendments to the act also provided for 45 per cent of the \$150,000 annual budget to be withheld and rolled over by a Member into the following year. Thus Members could accumulate more than \$200,000 to spend during an election year, which would give them a huge advantage over other candidates. The opposition parties voted together to disallow the government's proposals.

But in August 2006 the government again moved to increase the capped printing limit from \$125,000 to \$150,000 and to increase the Senators' allowance from ten reams of paper a month to \$20,000 a year. New provisions also enable Members to roll their allowances over, and so to accumulate funding. And the new provisions allow for Members to fund the printing of how-to-vote cards and postal vote applications, neither of which have previously been funded by the state. Previously electoral newsletters produced by Members were guided by the 'convention' of being designed to only communicate parliamentary and electorate business. These changes relax the convention by allowing newsletters to contain material which presents 'the senator or member in a positive light and therefore furthers their candidacy' (Nairn cited in McManus 2006). The postage allowance has also been lifted to \$40,000 (Coorey 2006). All up, then, the changes enable incumbent parliamentarians to produce and distribute material that will significantly enhance their electoral position and gives them a great advantage over their competition.

Parliamentarians' electorate offices are of significant strategic importance for parties, because these offices serve as a base for party organisations within each electorate. The electorate office is also the public face of the party in electorates. The Australian Parliament allows for an office of 150–180 square metres within a parliamentarian's electorate. To maximise public access, electorate offices are usually located in major shopping districts. The primary role of these offices is to allow parliamentarians and their staff to work within their electorate to serve their constituents.

Electorate offices are not intended to be used for party political purposes because they are funded by the state. However, highly placed members of all political parties

indicated⁴ that electorate offices were also used to host party branch meetings and various other party political activities. Such activities include canvassing constituents by using the office telecommunication systems, and production and postage of party political paraphernalia. As one Member (who wished to remain anonymous) commented, ‘We all know the other one does it [uses electorate offices for party political activities]. But if we were to make a fuss about another party’s use of these facilities, we’d be shooting ourselves in the foot’.

The resources of parliamentary allowances and electorate offices are particularly important to minor parties because their organisational facilities are not as well developed as those of the major parties. Senator Stott Despoja (2005) believed these resources to be ‘very important’ to minor parties but accepted that, at times, parties could ‘blur the lines’ between using the resources for electorate work and using them for party political work. Former leader of the Australian Democrats, Meg Lees, also noted the ‘blurring of lines’, and commented on how the party machine could place pressure on parliamentarians to access these resources. She reported that she was very cautious to ensure use of the resources of parliament for approved purposes only. Friction sometimes resulted when her office refused to produce material for other branches of the party organisation. However, for Lees, the risk of misusing parliamentary resources was too great, so she would ‘refuse outright’ such requests from the party. Nevertheless, Lees believed these resources were ‘simply invaluable’ for parties in getting out their message and attracting voters and ultimately ‘securing votes and our [the party’s] place here [in parliament]’.

Yet another form of state subvention of political parties is the state funded staffing resources allocated to parliamentarians. Each parliamentarian is entitled to three electorate office staff. The primary role of this staff is to assist their parliamentarian in matters concerning their electorate and constituents. However, parties can also use this staff to engage in party political activities. As put by a current staffer, who commented on the provision of remaining anonymous:

I would get a call on Sunday night from the party’s head office telling me “Mate, don’t turn up to the E.O. [electorate office] tomorrow, we need you here to get these letters out”. So I’d have to leave my constituent work for however long ... and work at some other office. These letters were usually targeted ... to swinging voters.

Staffers can also be ‘loaned’ to other parliamentarians from the same party to carry out specific tasks. Usually, this occurs when parliamentarians in safe seats allow one of their staffers to assist in the office of a marginal seat holder, especially during election campaigns.

⁴ In interviews with the author; these respondents wished to remain anonymous.

State subventions have contributed to changing the relationship between parties and their members, effectively distancing rank and file members from parties by enabling parties to hire professional staffers. For example, Young (2005) commented on her experience of volunteering for the ALP:

... it took me about four phone calls to even be allowed to go in the building of campaign headquarters; they're very distrustful, even of their own party members ... An hour later when that [photocopying task] ran out, there wasn't anything more for me to do. And this is because they are so professionalised and they're so reliant on professional advice that they really don't in that situation need their party members in the way they used to. You're actually a bit of a pain to them, because they've got these professionals that they pay for advice and you're not an expert, you're one of the unprofessionals. So they really don't include their party members in campaigning that much.

This is also true of the Liberal party, in which volunteers in electorate offices of safe seats are usually regarded with some distrust and are derided for being 'excess baggage'. However, the situation is different in minor parties. Respondents from all minor parties reported that they actively sought the help of volunteers and regarded them as vital to party operations. As Miller (2005) pointed out, the minor parties have 'very little income and very basic infrastructure' compared to the major parties, and are more volunteer driven. Nevertheless, all minor party respondents reported that they believed their party benefits greatly from professional staff afforded by the state. It is not uncommon for minor party staffers to be office bearers in the party organisation. The Democrats, for example, saw the employment of office bearers as a conduit through which the interests of the rank and file members could be transmitted directly to parliamentarians (Allison 2005).

Discussion: Towards cartelisation?

The impact of increasing state subventions in Australia has prompted discussions about whether the Australian party system has evolved to a cartel party type. At the heart of the 'cartelisation' model is the likening of major political parties' actions to the actions of private firms in a 'cartel'. Where private firms would act to consolidate their dominance within a particular market, proponents of the cartelisation thesis argue that parties also adopt methods to maintain their dominance within a political system (Katz & Mair 1995; Blyth & Katz 2005).

The cartelisation argument is based on the premise that political parties in liberal democracies have evolved through several stages. The first stage was the *elite party*

model in which parties are primarily made up of like-minded parliamentarians, with very little in the way of extra-parliamentary organisation.⁵ The second stage was the *mass party* model in which a strong extra-parliamentary organisation supported the party's candidates and parliamentarians who, in turn, promoted policies in their mass membership's interest.⁶ The third evolutionary stage was the *catch-all party* which was driven by the desire to win government rather than by dogmatic pursuit of a rigid ideology or policy.⁷ The cartel model is argued by Katz and Mair (1995) to be the latest stage in party evolution in liberal democracies.⁸

In a cartel model, established political parties act to prevent new competitors from challenging their hegemony in two main ways. The first strategy is policy convergence, which limits the scope for new parties to emerge. This strategy has been an important focus in previous studies of the cartel thesis in Australia (see, for example Goot 2003, 2004; Marsh 2006; Johns 2006; Ward 2006; Vromen & Turnbull 2006). The second way established parties maintained their hegemony is to use the material resources of the state to their own advantage. It is this strategy I have examined here, and my findings suggest that elements of cartelisation are apparent in the Australian system. The electoral changes made in 1983, which allowed for state funding of political parties, ushered an era in which political parties have had their campaigning activities resourced by the state. Changes in 1995 led to increased levels of state resources for political parties, particularly those already in parliament. Indeed, the share of funding taken by incumbent parties has remained stable, in clear support of the cartelisation thesis.

There has been an increase in the number of parties elected to the Senate, which challenges the cartel thesis. Despite this development, the established parties' performance has been consistent, and new parties have enjoyed only limited periods of success. Further bolstering the argument that party cartelisation has occurred in Australia is that the number of parties receiving funding from the AEC has remained relatively stable. There has clearly not been a significant growth in the number of parties gaining funding from the state after elections.

Overall, then, there has been a gradual increase in state resources available to parliamentarians and political parties. Despite their stated aims, state subventions have predominantly served the interests of the established parties in Australia. While some new parties have entered parliament, their performance has been patchy and weak in comparison to the established parties. The system of state subventions does

⁵ For further discussion on elite parties see, for example, Duverger (1967, p. 65).

⁶ For further discussion on mass parties see, for example, Jaensch (1994, p. 115).

⁷ For further discussion on catch all parties see, for example, Kirchheimer (1966, p. 185).

⁸ For a critique of the cartel model see, for example Koole (1996).

not deliberately seek to discriminate against minor parties but it has continued to benefit the established parties most. At this point a paradox becomes apparent in the Australian system: even though the system does not discourage new parties from entering parliament, the consistent dominance of the established parties has meant only a handful of parties have benefited most from state subventions.

Thus, the Australian polity seems to have elements of party cartelisation. In particular, the allocation and consequences of increasing parliamentary resources and public election funding accord with the predictions of the cartelisation thesis. These resources have also allowed parties that get into Parliament to become more 'electorally professional'. And although numerous parties have achieved Senate representation over the twenty year study period, none of these parties was as consistently successful as the established parties. While the system of funding elections in Australia was set up with the goal of encouraging new parties, the established parties have continued to dominate representation in both the House and the Senate, and to receive the vast bulk of resources from the state.

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