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UNION INFLUENCE OVER ALP IS A HANDBRAKE ON REFORM: NEW REPORT

The institutional influence of the union movement in the Australian Labor Party is a handbrake on reform, according to a new report released today by the free market think tank the Institute of Public Affairs.

“Economic reform is being stifled by a vested interest at the heart of one of Australia’s two major political parties. Unions have been awarded an effective veto over major areas of policy,” says James Paterson, Deputy Executive Director of the Institute of Public Affairs and co-author of the report.

The key findings of the new report, *Unions in Labor: A handbrake on reform*, are:

- Half of all current federal ALP MPs and Senators have held a paid position in a trade union. This includes 23 of 55 ALP lower house MPs, and 17 of 25 ALP senators.
- More than half of the ALP front bench, 22 of 43, are former union officials.
- The ALP’s National Executive is the chief organisational body in the party. Of the 26 current members on the National Executive, 19 are current or former union officials.
- The ALP National Platform contains 169 references to unions. Many of these grant constitutional power to affiliated trade unions.

“Economic reforms such as privatisation of electricity assets in New South Wales have been scuttled on numerous occasions by union influence in the ALP. Since the Hawke-Keating era, every attempt to liberalise the labour market has been opposed by the Labor Party,” says Mr Paterson.

The report also argues that unions have used their influence to win special legal privileges for themselves to entrench their power, even as union membership fell to a record low of just eight per cent of the population in 2014.

“Unions enjoy a privileged position under the law, particularly in the industrial relations system. For example, the *Fair Work Act* grants unions special legal privileges such as the right to enter private businesses without the consent of the owners. These privileges serve to reinforce the union movement’s influence in the ALP. They make it easier to recruit and retain members, which affects a union’s representation in internal ALP forums.

“Unions will remain a powerful obstacle to reform whilst they enjoy this special legal status and disproportionate influence over the Australian Labor Party,” says Mr Paterson.

***Unions in Labor: A handbrake on reform*, by Patrick Hannaford, Research Fellow, and James Paterson, Deputy Executive Director, is available to download [here](#).**

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