

Victorian Labor
PROGRESS
& INTEGRITY

The Administrators' Final Report to the **National Executive** of the Australian Labor Party

NOVEMBER 2020

Victorian
Labor

Acknowledgements

The Administrators wish to acknowledge the assistance of the many people and organisations that have assisted them with the preparation of this Report.

We acknowledge that this work took place on the land of the peoples of the Kulin Nations. We wish to pay respect to their Elders - past, present, and emerging - and acknowledge the important role all Aboriginal and Torres Strait Islander people continue to play within our country and our Party.

We undertook this work consistent with the Victorian Labor values of achieving social justice, fairness, and equality.

Conscious of the role our affiliated unions will play in our Party's future, we ensured that our union leaders were consulted as we prepared this Report. We thank them for the insights they offered, and their submissions.

We particularly acknowledge the support and assistance of Party President Susie Byers, Party Secretaries Clare Burns and Chris Ford, and the officials and staff at the ALP Victoria State Office. We also acknowledge Paul Erickson and the staff at the ALP National Secretariat, and the external consultants, Ben Hubbard and Sam Hayward, who have supported us directly.

Most importantly, we thank Party members for their engagement and contribution to this reform process.

We received thoughtful ideas, passionate suggestions, fearless advice, reasonable complaints and concerns, and heartfelt support.

Thank you.

CONTENTS

Introduction from Jenny Macklin & Steve Bracks	4
Summary of Recommendations	5
Explanation of Report	19
The Work of the Administrators	20
Member Feedback	21
Addressing the Scourge of Branch Stacking	24
The Membership Audit & Related Action	26
Investigation into Branch Stacking	29
Joining & Renewing	31
Joining the Party	31
Renewing & Maintaining Membership	32
Member Engagement Through Better Branches	35
Improving the Membership Experience	38
Integrity	41
Governance	42
Implementation, Conclusion of Administration, & the Transition to Normal Party Operations	48
The Transition to Normal Party Operations	49
Overview of Re-Establishment Phases	55

Introduction from Jenny Macklin & Steve Bracks

To the National Executive of the Australian Labor Party

This Report outlines the recommendations from our work as Administrators of the Victorian Branch of the Australian Labor Party.

This year has been a year unlike any other due to the COVID 19 pandemic. The disclosure of serious branch stacking allegations in the Labor Party, which outraged members and citizens alike, seems a long time ago.

Victorian Labor Leader, Dan Andrews acted swiftly, insisting Victorian Labor operate with integrity, to ensure we have a membership comprising genuine, consenting, and self-funding members. The Leader of the Federal Parliamentary Labor Party, Anthony Albanese, responded rapidly, expressing “zero tolerance” for the behaviour reported in the media. Shortly thereafter, the National Executive moved to appoint us as Administrators of the Victorian Branch.

This Report is a necessary outcome of our appointment. We trust it will result in real and enduring change in the culture and operations of the Victorian Branch of the Australian Labor Party, and a renewal of the Branch.

The changes to the Victorian Branch Rules (‘the Rules’) recommended in this Report will enable greater engagement of Party members and enliven grassroots activity. They will introduce standards of governance and assurance of the highest calibre. Our members deserve nothing less.

These recommendations will set us up to continue to bring about the election of Labor governments in Spring Street and in Canberra. The primacy of electing Labor governments – and the positive impact Labor governments have for all Victorians – must always drive our Party.

We return to the words in our National Platform:

We build a Party of progress, not protest. We seek change through the power of parliamentary democracy and the timeless truth of solidarity. We work alongside the mighty trade union movement of Australia ...

(It) speaks with the voice of Labor’s greatest strength: our members, the people who keep the faith, even in difficult times.

We must keep in mind that, as a voluntary membership organisation, our members – both affiliated union and rank and file – sustain Victorian Labor. While our membership is diverse, we are united in our desire for a fairer society. In order to deliver on this desire, whether in government or in seeking government, we need to ensure that the various motivations for joining the Party are supported and that members feel welcome, engaged and respected.

We submit this Report with 37 Recommendations to rebuild our Branch and propel us into the future as a Party of progress.

Thank you for helping us renew and revitalise the Victorian Branch of the Australian Labor Party.

Hon Jenny Macklin
ADMINISTRATOR

Hon Steve Bracks AC
ADMINISTRATOR

Australian Labor Party ▪ **Victorian Branch**

Summary of Recommendations

Joining & Renewing

- That the National Executive amends the Rules so that all new members:
- Recommendation 1**
- Join centrally in a simple, user orientated on-line process; and
 - Members who are unable to apply online are able to apply using hard copy forms or over the phone, with the assistance of the State Office.
-
- That the National Executive amends the Rules to provide that:
- Recommendation 2**
- Any new member is allocated to a branch within four weeks of joining; and
 - The State Office will contact the member with the local branch details and the date of the next branch meeting.
-
- That the National Executive amends the Rules to provide that:
- Recommendation 3**
- New members must attend one branch meeting in their first 12 months of membership and will obtain voting rights 24 months after attending their first branch meeting; and
 - The State Office will write to new members within four weeks of attending their first branch meeting notifying them of the date from when their voting rights will accrue.
-
- That the National Executive amends the Rules to:
- Recommendation 4**
- Require membership fees to be paid by monthly, quarterly, or annual direct debit from the member's personal bank account or credit card; and
 - Permit members unable to pay by direct debit to pay annually by personal cheque drawn from their own identified bank account.
- Rule 5.10.6, which allows one member to authorise another family member who lives in the same household to renew that member's membership on their behalf, will continue to apply.
- Before the Rule changes in this Recommendation take effect, the Branch must first have the capacity to implement and maintain them using the new membership database.

That the National Executive amends the Rules to:

Recommendation 5

- Abolish renewals for members on direct debit arrangements;
- Provide that members must resign, be expelled, or fail to address a default on their direct debit payment within six months to discontinue their membership;
- Provide that, for those members who pay by personal cheque annually, the renewal date will be the date on which that member joined the Branch; and
- Require the State Office to write to members on their membership anniversary:
 - Confirming their ongoing membership of the Party; and
 - Asking them to update their membership details if there have been any changes to their address and entitlement to the membership rate claimed.

Before the Rule changes in this Recommendation take effect, the Branch must first have the capacity to implement and maintain them using the new membership database.

Summary of Recommendations

Branch Structure

Recommendation 6

That the National Executive amends the Rules to:

- Replace local branches with a single branch per Victorian Electoral District;
- Provide that members belong to the local branch in the electorate in which they are enrolled to vote; and
- Provide that members who are not on the Australian Electoral Roll are allocated to the branch within the electorate of their verified residential address.

The Rule changes will:

- Provide an exception to the single branch per Victorian Electoral District Rule to allow current branches associated with regional towns in Electoral Districts of more than 1,350 square kilometres to continue to operate; and
- Allow the Administrative Committee to establish a second branch in a single Victorian Electoral District if a local branch has more than 300 active members or where the geography of a surrounding Federal Electorate requires a second branch.

Further, that any decision by the Administrative Committee to establish a second branch in a State Electorate of less than 1,350 square kilometres in size will require the affirmative vote of three-quarters of the Administrative Committee. The Administrative Committee should be provided with evidence, such as the number of members regularly attending branch meetings, before establishing additional branches.

Recommendation 7

That the National Executive amends the Rules so that the Central Branch is abolished.

Recommendation 8

That all current members of the Central Branch are transferred into the State Electorate-based branch within the electorate that they are registered to vote or, if they are not enrolled to vote, within the electorate of their verified address.

Recommendation 9

That the National Executive amends the Rules to provide that no more than 20 new members of a single branch can begin accruing voting rights in a single month.

The amendment to the Rules would provide that:

- The first 20 new members to sign the attendance book would begin accruing from that meeting;
- Any new member who signed the book after the first 20 new members would be taken to accrue voting rights from the next meeting, which they would not need to attend;
- The branch Secretary must submit a photo of the attendance book to the State Office, or upload it to the membership database, within one hour of the close of the meeting; and
- Branch Secretaries who fail to submit records of the attendance book on more than two occasions per calendar year should be removed from their position.

Recommendation 10

That the State Office considers measures to:

- Permit local branches to utilise video conferencing platforms to facilitate formal meetings; and
- Improve member engagement by encouraging local branches and the State Office to conduct frequent online engagement events.

Recommendation 11

That the National Executive amends the Rules so that:

- All transfers between branches are completed online and are overseen by the State Office;
- The role played by local branches in local branch transfers is removed;
- The State Office will validate any transfer form, including by reviewing the applicant's claimed address, to ensure that the applicant has applied for the correct branch based on their Australian Electoral Commission or verified address;
- The State Office will write to the applicant notifying them of the outcome of the application. In doing so, if the application is successful, the State Office should provide contact details of the relevant branch executives; and
- If a member updates their address and moves to a new electorate, the State Office will allocate them to the branch within that electorate. In the event that there are multiple branches in the electorate, the member may elect which branch they are allocated.

Summary of Recommendations

Member Engagement

Recommendation 12

That the National Executive amends the Rules to provide that:

- Where a current branch has either a language or cultural community of interest basis to continue, it may apply to the Administrative Committee to continue as a sub-branch of the relevant Victorian Electoral District-based branch;
- Members who live outside of the electorate that the sub-branch is within should be permitted to attend if they share the sub-branch's cultural or community interest;
- Members of a sub-branch do not gain additional voting rights beyond their allocated branch; and
- Attending a sub-branch will not meet the attendance requirements for new or existing members under recommendation three.

Recommendation 13

That the Interim Governance Committee, as described in Recommendation 31, reviews, and recommends changes to, the current membership fee structure in order to better reflect the capacity of high-income earners to contribute to the Party.

Changes to the fee structure should take place after the Victorian economy has recovered from the impact of the global pandemic.

Further, that membership fees should be indexed.

Recommendation 14

That the State Office establishes a Member Services and Engagement Division that has responsibility for:

- Supporting branch activities;
- Supporting the policy, outreach and activism of Policy Committees and other policy-based groups within the Party, including to improve engagement with members;
- Promoting Party engagement activities, including the resourcing of related groups within the Party, including Victorian Labor Women's Network, Young Labor, Country Labor, Rainbow Labor and Labor Environment Action Network; and
- Providing information, engagement, and other services for Party members.

Recommendation 15

That the State Office adopts a formal membership target of 20,000 members by December 2024.

Summary of Recommendations

Integrity

Recommendation 16

That the National Executive amends the Rules so that:

- Mandatory photo identity checks are required for all new members when joining the Victorian Branch; and
- Proof of eligibility is required for any claim for concessional membership rates.

Before the Rule changes in this Recommendation take effect, the Branch must first have the capacity to:

- Implement and maintain them using the new membership database; and
 - Ensure that members' data is secure.
-

Recommendation 17

That the State Office takes steps to ensure that the current Rule 9.3.8.3, which requires voters to produce evidence of their identity to FEA Returning and Deputy Returning Officers when voting, is properly observed.

Further, that National Executive amends the Rules to extend the intent of Rule 9.3.8.3 to apply to all attendance ballots of members within the Victorian Branch.

Summary of Recommendations

Governance

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- Recommendation 18** That the National Executive amends the Rules to state that the Administrative Committee, and its members, must act in the best interests of the Party.
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- Recommendation 19** That the National Executive amends the Rules to make clear that the Administrative Committee is responsible for ensuring the integrity of the membership roll.
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- Recommendation 20** That the National Executive amends the Rules to make clear that the Administrative Committee is responsible for maintaining systems to ensure that a member's address is the same as their Australian Electoral Commission address, if they are enrolled to vote.
-
- Recommendation 21** That the National Executive amends the Rules to provide that:
- The Administrative Committee is comprised of the three Officers plus a maximum of 17 members elected by State Conference; and
 - At the commencement of their term, each member of the Administrative Committee may appoint an alternate member, who may attend and vote as a proxy in the event that the member cannot attend.
-
- Recommendation 22** That the National Executive amends the Rules to provide that the Administrative Committee requires a simple majority for day-to-day business decisions and a special majority of two-thirds of members voting for:
- The appointment of Officials (State Secretary, Assistant State Secretaries);
 - The appointment of Committee members on the recommendation of the Governance and Personnel Sub Committee;
 - Rule change recommendations to the appropriate body;
 - The approval or amendment of key strategic documents (including annual organisational plans and budgets) and internal policies;
 - The appointment of the Party Monitor; and
 - Allowing members to re-join the Party who would be prevented from re-joining due to Recommendation thirty.
- That the National Executive amends the Rules that currently require 22, 25 or 28 votes in favour of a specific action of the Administrative Committee to account for the reduced size of the Administrative Committee established under Recommendation 21, maintaining the same relativities.
-

That the National Executive amends the Rules to provide that:

- The Administrative Committee has the following three standing Sub-Committees:
 - **Finance, Risk and Audit** – to oversee the organisation’s finances, risk-management and audit functions;
 - **Membership** – to oversee membership process including standards, applications, recruitment and member services; and
 - **Governance** – to make recommendations relating to the appointment of sub-committees and Party Officials; and ensure that the Party and the Administrative Committee’s arrangements and operation reflect good governance practice; and further that,
- Each sub-committee has at least three members of the Administrative Committee, no more than three externally-appointed members and the Party Officials will attend as non-voting members; and that,
- The Membership Sub-Committee replaces the Membership Administration Committee.

Recommendation 23

Recommendation 24

That the State Office provides compulsory governance training for incoming Administrative Committee members, their alternate members, and Party Officers Committee members.

Recommendation 25

That a Branch Executive training program be introduced for all Branch Executives that includes, but is not limited to, the revision of membership rules and systems, Electoral Act compliance, branch functioning, standing orders and local activism.

Recommendation 26

That the National Executive amends the Rules to establish a Party Monitor.

The Party Monitor will be appointed by a resolution of the Administrative Committee passed by two-thirds of the members of the Committee present and voting on that resolution. The same threshold will apply to their removal.

The Party Monitor's role will include, to:

- Consider complaints by members. Consequently, the Party Officers will no longer carry the responsibilities to deal with disputes conferred on them by rule 7.2.6;
- Make referrals to the Disputes Tribunal stemming from those complaints. Consequently, the responsibilities of the State Secretary in sub-rules 20.2, 20.8, and 20.11 will transfer to the Monitor;
- Undertake annual reporting to members relating to the Party's compliance with the Rules, including the functioning of the Administrative Committee and its Sub-Committees;
- Undertake a review of the integrity of the Party membership and membership arrangements every two years;
- Provide a report to the Administrative Committee on the findings of the review of the Party membership every two years; and
- Until 31 December 2025, report annually to members on the implementation of recommendations arising from this Report.

The first Party Monitor appointed by the Administrative Committee will commence at the conclusion of the term of the inaugural Party Monitor, which will be appointed by the National Executive, as described in Recommendation 33.

The Party Monitor will be provided external support to conduct its auditing and regulatory functions.

Recommendation 27

That the National Executive amends the Rules to oblige the Administrative Committee to:

- Provide an annual report to the Party members on membership matters, such as the number of members and member activities;
- Provide an annual summary to the Party membership of the Party's financial position;
- Provide a report to State Conference in respect of the integrity of the membership roll as per its responsibility in Recommendation 19; and
- Provide a report to the membership summarising the Party Monitor's membership integrity report as set out in Recommendation 26. In doing so, the Administrative Committee should detail any action it has taken to address issues identified by the Monitor.

Recommendation 28

That the Interim Governance Committee considers measures to ensure that proactive strategic and financial planning, as well as risk-management, are built into the work of the Party leadership. Such mechanisms could include requiring the State Secretary to:

- Report against a strategic plan at State Conference; and
 - Report to State Conference on the results of a membership engagement survey every two years.
-

Summary of Recommendations

Implementation, Conclusion of the Administration, & Transition to Normal Party Operations

Recommendation 29

That the National Executive amends Rules 5.7.6 and 5.12.2 (as set out below) no later than 29 November 2020 to account for the delayed 2020 renewal date and so that current arrangements reflect the original intent of the Rules.

- **Rule 5.7.6:** If a Local Branch member fails to renew their membership by the due date under Rule 5.12.1 but then renews by the last day of November in the same year under Rule 5.12.2, their membership rights as both a Local Branch member and a member of the Party accrue from the date their membership renewal was processed by State Office.
- **Rule 5.12.2:** Members who fail to renew by the due date lose their membership continuity as both a Local Branch member and a member of the Party for voting purposes, but if they renew by the last day of November in the same year are not required to reapply for Local Branch membership under Rule 5.6.

Recommendation 30

That, in order to protect the Party, the National Executive amends the Rules to prevent any member who resigned or had their membership revoked during the Administration from re-joining the Branch until 31 December 2023.

Further, to provide that any member who resigned or had their membership revoked during the Administration may only be permitted to re-join on an affirmative vote of at least two-thirds of the Administrative Committee.

Accordingly, that the National Executive inserts new Rules 5.3.6 and 5.3.7 as follows:

- 5.3.6. Subject to Rule 5.3.7, a person is not eligible to join the Party until 31 December 2023 if that person, between 16 June 2020 and 31 January 2021:
 - 5.3.6.1. resigned from the Party; or
 - 5.3.6.2. had their membership of the Party revoked.
- 5.3.7. A person who, by operation of Rule 5.3.6, would not be eligible to join the Party before 31 December 2023, may only join the Party before that date on the affirmative vote of at least two-thirds of the members of the Administrative Committee.

Recommendation 31

The National Executive appoint an Interim Governance Committee, which operates by consensus, comprising:

- The President, and
- Three other members of the Victorian Branch, one of whom is currently a member of the National Executive.

The President will be the Chair of the Committee, and members will serve until a new Administrative Committee is elected at a State Conference.

The Interim Governance Committee will stand in the stead of the Administrative Committee, and be first and foremost responsible for good governance until the new Administrative Committee is elected.

It will also be responsible for:

- Organising FEA elections for delegates to State Conference;
- Organising a State Conference, as described in Recommendation 35;
- Successfully implementing the new membership database;
- Reviewing and aligning the capacity of the State Office with the Recommendations in this Report; and
- Reviewing and recommending changes to the membership fee structure.

Recommendation 32

That the National Executive appoints an Executive Officer to commence on 31 January 2021, who will remain in that position until the next Administrative Committee is elected at a State Conference.

The Executive Officer will be responsible for assisting the Interim Governance Committee with the implementation of the Recommendations in this Report and be answerable and report to the National Executive.

The Executive Officer will attend Interim Governance Committee meetings but will not vote on decisions, and will report to the National Executive on matters impacting the Branch's progress in implementing the Recommendations in this Report.

The Executive Officer may only be removed or replaced by the National Executive.

That the National Executive amends the Rules to establish an inaugural Party Monitor, to commence by 31 January 2021, for a term of at least two years.

Further, that the National Executive appoints the inaugural Party Monitor.

The role of the inaugural Party Monitor will include to:

Recommendation 33

- Consider complaints by members. Consequently, the Party Officers will no longer carry the responsibilities to deal with disputes conferred on them by rule 7.2.6;
- Make referrals to the Disputes Tribunal stemming from those complaints or of its own volition based on information that comes before it. Consequently, the responsibilities of the State Secretary in sub-rules 20.2, 20.8, and 20.11 will transfer to the Monitor;
- In its second year, undertake a review of the integrity of the Party membership and membership arrangements; and
- Provide a report to the National Executive on the findings of the review of the Party membership.

The Party Monitor will be provided external support to conduct its auditing and regulatory functions.

Recommendation 34

That the National Executive amends the Rules to continue the Disputes Tribunal arrangements created for the Administration period in Rule 26.6 on an ongoing basis, and amends Rule 20 accordingly.

Sub-rules 26.6.3, 26.6.4, 26.6.5, 26.6.6, and 26.6.7 should cease to operate from 31 January 2021.

That a State Conference with new rank and file delegates be held between 1 January 2022 and 31 May 2022, on a date set by the Interim Governance Committee in discussion with the National Executive.

It shall elect members to the:

- Administrative Committee;
- Agenda Committee;
- Rules Revision Committee;
- Rainbow Labor Executive;
- Labor For A Republic Executive; and
- Positions of the Party Officers.

Recommendation 35

Rank and file delegates for the State Conference should be elected no earlier than 1 January 2022. Prior to the election of delegates, the National Executive will review the Victorian Branch's capacity to hold a State Conference, taking into account various factors including the impact of COVID-19 and the advice of the Interim Governance Committee on the feasibility of a State Conference.

In alignment with the National Executive's June 2020 resolution, the State Conference should not elect new members to the Public Office Selection Committee until 2023.

Recommendation 36

That, to ensure that the Recommendations in this Report are effective and change is enduring, the National Executive commits to a review of the implementation of these recommendations to be reported to State Conference no later than 1 January 2024.

That the National Executive:

- Endorses the Recommendations in this Report;
- Makes changes to the Victorian Branch Rules (the Rules) to provide for Recommendations 29 and 30 no later than 29 November 2020; and
- In endorsing this Report, agrees to make the Rule changes required to provide for Recommendations one, two, three, four, five, six, seven, nine, eleven, twelve, sixteen, seventeen, eighteen, nineteen, twenty, twenty-one, twenty-two, twenty-three, twenty-six, twenty-seven, thirty-three, and thirty-four.

Recommendation 37

The Administrators will work with the Party lawyers to prepare the remaining Rule changes by 25 December 2020.

Explanation of Report

The Report is set out in four parts.

Firstly, we set out the process and wider work of the Administrators, including the engagement with members and their contribution.

Secondly, we discuss branch stacking and the attributes of this insidious practice that need to be dealt with when reforming Party rules and arrangements. In addition, we canvass the ongoing membership audit, including the Deloitte review, and our investigation into branch stacking.

Thirdly, we provide a set of recommendations based on a number of themes – joining the Party and renewing memberships; branch structure; member engagement; integrity; and governance.

Finally, we describe conclusion of our appointment as Administrators and the transition out of Administration.

As articulated in the Discussion Paper, there are four key principles we have identified to ensure lasting change for the Victorian Branch.

These principles underpin the rule changes and reforms in this report.

Accountability | Rule and structural changes must encourage accountability within the Victorian Branch. There needs to be wide acknowledgement that branch stacking and exploitation of rules and process are not acceptable. Accountability and responsibility must be to the members, not a select few.

Integrity | Consistent with the Premier's request and the National Executive resolution, the reforms must ensure integrity and probity in Party affairs. They must be accompanied by a cultural change in the governance of the Victorian Branch.

We need to build the scaffolding to support long-term change. This includes changes to create a cycle of assurance, review and renewal in our Rules and processes.

Transparency | Transparency of process and outcomes is a critical element in maintaining high standards, but it also provides ongoing assurance through the scrutiny of Party members.

Party members should be able to contribute to important decisions, and to understand how and why decisions are made.

Democracy | We want to encourage new members to join so our Party can grow. The current Rules for joining the Victorian Branch are complicated and can act as a deterrent to new members.

Reforms to ensure integrity should allow genuine applicants to join the Victorian Branch with expediency and simplicity. Reform is also needed to encourage participation in the Party by current and new genuine members.

The Work of the Administrators

Since our appointment in mid-June, we have had three core duties to fulfill as Administrators.

The first was to commission a forensic review of the Branch membership.

Deloitte Advisory undertook the review, providing an arm's length approach and leveraging contemporary forensic practice.

The analysis was challenging. It was hindered by a poor membership system, and data sets that lacked critical information.

Deloitte undertook this work in a number of stages, and objective assessments were made based on the profile of members and particular branches.

Some genuine members were asked to prove their details and answer questions. Some found this confronting, which is understandable. We appreciate their assistance in working through the process. Their contributions help us ensure our membership arrangements have integrity.

Our second core duty was to oversee the operations of the Victorian Branch, acting in the place of the Administrative Committee. This required establishing good governance-based processes, the creation of new decision-making routines, and making a range of decisions that are preconditions for the wider set of reforms.

We are very grateful for the support and assistance of the Party President, the State Secretary and the Acting State Secretary, the Officials and the staff of State Office.

Our third duty was to develop and propose a wide set of reforms for recommendation to the National Executive. In order to ensure that our Recommendations are effective and enduring, we will be engaging the Party lawyers to assist in drafting the Rule changes and will provide these Rules to the National Executive by 25 December 2020.

On our initial appointment, we moved quickly to engage with Party members on four key questions relating to our initial priorities for reform. We have also worked proactively to engage with affiliated unions in this process.

Our Scoping Paper presented to the National Executive at the end of July provided an update and set out our broad approach as we moved towards this Report.

The Scoping Paper recommended a number of urgent Rule changes that we believed were critical for our work, particularly the requirement that members pay by traceable means, interim Rules relating to branch stacking, non-genuine members, and the operation of the Disputes Tribunal. Those recommendations were accepted and implemented by the National Executive.

On the basis of the Scoping Paper, the initial feedback and our broader observations of the state of the Party, we developed a Discussion Paper that proposed a wide range of questions for response by Party members.

Submissions prompted by the Discussion Paper and the associated debate within the Party were then used to develop and finalise the recommendations in this Report.

Member Feedback

In late August, our Discussion Paper, *Victorian Labor, Progress and Integrity*, was circulated to Party members who were given seven weeks to respond. In order to keep our members abreast of our work, we consulted broadly, hosting a range of webinars for members, branches, and groups within the Party, such as Country Labor. We also hosted a podcast and a Q&A session for all members, which saw about 430 members attend and ask questions about our work.

Reflecting the interest that our members have in the Party, and its future, we received a significant volume of responses to the Discussion Paper. Two hundred and fifty-two members or groups of members took the opportunity to provide feedback through the online portal, and another 42 submissions were received through other channels, including by emailing us directly.

We received submissions from a broad cross-section of our Party, including Members of Parliament, affiliated unions, local branches, groups of members, individual branch members, and Labor-aligned groups.

Despite the diversity in opinions and priorities, it was clear from these submissions that, like us, our members see this period of Administration as a unique opportunity to repair, and propose reforms for, the Victorian Branch.

While we do not propose to detail every submission, the following views, themes, and ideas featured prominently in the submissions received.

Firstly, many members described ways in which their memberships could be more meaningful. In this regard, members discussed a desire for their voices to be better heard by the Party and for improved ways for them to play roles in decision-making processes.

Many members join the Party to contribute to progressive policy making. There was a resounding desire for better opportunities for members to contribute to the policy-making initiatives that define Labor governments and reflect Labor values. As one member put it:

The Party needs to engage with members at all levels to constantly seek their input into Labor policy. In becoming a Labor member, as distinguished from simply voting for Labor, the individual seeks the ability to have input.

Members called for greater interaction between themselves, the State Office, and Members of Parliament, and for the Party to deliver better engagement with members outside of when they are called on to campaign. When it came to engagement, many members articulated problems with the Party website, which lacked important information about Party events, issues, and engagement avenues.

Second, members posited a range of views about how the Party could improve the joining process, which was seen as a way to grow the membership, as well as a defence against branch stacking. There was broad support for the decision to ban non-traceable memberships, as well as the use of identity checks to improve the integrity of the membership roll. Generally, submissions underscored the benefit of centralising the membership process within the State Office. Many members also identified deficiencies in the way the Party engages with new members and highlighted ways that the Party could better engage with those members new to our ranks.

I'm a relatively new member. I have never felt a direct sense of belonging upon membership. There is no real guidance once joined and it's almost like flying blind as to how the Party works and engages with members.

Third, reflecting the notion that the local branch experience is better for some than for others, the questions relating to branch structure attracted diverse views. Many of those who advocated for the retention of the local branch structure accepted that the local branch system was not without flaws, noting ways to improve dynamism and debate within local branches. There was a broad call to reinvigorate local branches, through better training and interaction with the State Office. Many members were also conscious of the way that the local branch has been used as a conduit to funnel non-genuine members into the Party.

Fourth, the submissions canvassed a range of ideas on how to maintain membership integrity. In this regard, there was strong support for renewals based on the anniversary of members' original join date, as well as more flexible payment options and the implementation of direct debit facilities.

The suggestion that the Party appoint an internal Ombudsman attracted support, as did the proposal that the Party conducts rolling audits of the membership. Notwithstanding the support expressed for an Ombudsman as a mechanism to improve integrity, adherence to the Party Rules, and to resolve disputes, some members pointed out that there may be issues with investing such significant power in a single position. In this regard some members believe that, if it were to be implemented, the Ombudsman needed safeguards established to ensure the role was performed impartially and effectively.

Fifth, submissions about oversight, governance, and standards saw almost universal support for Party reform. A lack of transparency in respect of appointments to, and decisions of, the Administrative Committee led some members to express uncertainty about what this critical governance organ does.

I don't know anyone who understands what the Admin Committee actually does. The vast majority of rank and file members wouldn't know who sits on the Admin Committee.

Nonetheless, members believe that the Administrative Committee ought to be reformed and wanted reforms to include greater transparency, including through mandatory reporting of decisions, as well better governance practices, such as removing the use of proxies. Many members believed that having more rank and file members involved with governance would help steer the Party in the right direction. Some members believed that a way to improve governance would be for the Administrative Committee to act more like the board of a company.

Elected members should be required to have the duties that apply to any other Board members – to act in the interest of the organisation and its members, to vote independently of outside influence and to ensure integrity in all financial, membership and internal electoral matters.

Sixth, the submissions traversed a range of measures that members believed would buttress against branch stacking. Many members did not believe that the Party's branch stacking rules were observed or properly enforced, and called for this to change. There was a palpable sense of anger in respect of the damage caused to the Party by those identified in the mid-year media coverage that sparked the administration. Many members were unequivocal about the need to hold those responsible to account.

A substantial number of members identified the role that manipulation at the local branch level plays in branch stacking and believed that restricting the enrolment or transfer of members to local branches would redress this issue.

Victorian Labor must develop a culture of regular, random auditing of memberships and processes. Branches created for the purpose of stacking have been able to continue operating for years despite not holding regular meetings or actively barring new members from joining because their books and processes are not inspected.

Seventh, most members believed that the Party membership must grow. Many members suggested that, by growing the Party, the utility of branch stacking would be diminished. Members pointed to a range of measures that could improve Party growth, such as better engagement with prospective or new members, and the establishment of a dedicated team at the State Office responsible for recruitment and engagement. Many members supported a recruitment target, while noting the importance of new members sharing Labor values and ideas.

Eighth, members pointed out that we must continue to focus on electing Labor governments. Against that background, members noted other areas that the Party could prioritise. These included enforcing the Party Rules, improving local branch capacity and culture, and better engagement with members.

When it came to enabling the Party to prioritise certain activities, members were cognisant of the importance of membership fees and fundraising, but were generally apprehensive about broad fee increases, especially for low income or concession card holders. That said, many members believed that the tiered fee structure warranted review.

This is by no means a comprehensive analysis of the depth of ideas presented to us, but it provides an overview of some of the recurring themes and positions in our members' submissions.

Addressing The Scourge of Branch Stacking

Since the 1990s, there have been numerous inquiries into the scourge of branch stacking and related attempts at reform.

But stacking has continued and those who trade in it have adapted in response to Rule changes made to inhibit the practice. Their methods have become more sophisticated and the scale has brazenly increased. Rule changes may impede branch stacking, but rules alone will not break it.

The people who lead, co-ordinate and manage the stacking operation are described generally within the Party as ‘stackers’. The individuals enrolled in the Labor Party in these circumstances are described in a range of terms; for this Report, they are described as ‘non-genuine members’.

We want our Party to grow and for the membership to reflect the broad support Labor Governments enjoy at the ballot box. The recruitment of a large number of people to the Labor Party who believe in the Labor Party and share its values is a good thing. However, all members must be genuine, consenting, and self-funding. A broad based, progressive political party should welcome people who share the Party’s values and aspirations for society.

Our Party’s integrity is threatened when members are not genuine, consenting, and self-funding.

The contemporary branch stacking business model includes at least one of these nine key characteristics:

1. Stackers pay cash or use another non-traceable payment to fund or refund the membership fee of non-genuine members.
2. The membership tier claimed does not reflect their financial circumstances, such as claiming a concession rate membership or a low-income tier.
3. Non-genuine members join on the basis of an address that is not their address associated with Australian Electoral Commission enrolment.
4. Non-genuine members are moved from one address to another to participate in Party elections, while in reality they have not moved their home address.
5. Local branch processes are manipulated to assist branch stackers orchestrating the joining of non-genuine members. Examples include moving the location or timing of a branch meeting, or not informing all members of a specific branch meeting.
6. Bulk renewal processes are used to maintain the non-genuine members within the Party membership.
7. Non-genuine members are not aware they are joining or have joined the Labor Party, are offered inducements, or put under pressure to join.
8. Representation on the Membership Administration Committee exists to approve non-genuine members and in some instances, reject genuine members.
9. Non-genuine members are enrolled without providing modern means to communicate with them, such as an email address or mobile phone number.

The revelations aired in the media about brazen branch stacking in the Party shocked members and the public and damaged the Labor brand. The behaviour reported showed contempt for Victorian Labor's Rules and values.

It is clear the problems of branch stacking go beyond a certain group of people operating in isolation from the rest of the Party. Organisational inertia, poor culture and a level of acceptance of the practices meant requirements under the Rules were not always observed, the administrative process and systems were poor, and the governance and assurance overseeing membership was practically non-existent.

Branch secretaries are volunteer Party officials who are expected to run fair, objective processes consistent with the Party rules. Too often, they have been the co-ordinators or key lieutenants of a branch stacking operation.

These key lieutenants, in turn, place unreasonable expectations on Party staff to act in their own narrow factional interests, rather than the wider interests of the Party for which these staff are employed. This has the effect of putting staff in invidious and conflicted positions, and distorts the key functions of Party branches.

And the supposed governance over the membership process, the Membership Administration Committee or 'MAC', has often operated like a swap meet, exchanging the approval of one group of non-genuine members for the approval of another group's non-genuine members. In addition, many new member applications have been stalled, sometimes for more than a year, due to minor technicalities, or because they are not known to members on the MAC.

The Membership Audit & Related Action

The Premier has made clear that there is a lack of confidence in the integrity of the voting roll produced for internal elections in the Victorian Branch. Restoring this confidence is perhaps the most important part our work.

The media reports which ultimately led to our installation as Party Administrators indicated that the Branch may have had thousands of non-genuine members. We believed it was critical that independent experts be engaged to test the veracity of the Party membership and, accordingly, engaged Deloitte to undertake a forensic review.

The findings of the audit will lay the foundations for us to take the necessary action to remove non-genuine members from the Party and restore integrity to the membership roll.

Auditing the membership records held by the Branch was no small feat. As a result of the archaic membership database, which included incomplete membership information for many members, this task proved more challenging than we had envisaged.

Although the audit is still on foot, we are able to provide an overview of some of the preliminary observations made, steps taken, and expected action to follow.

Overview

The Deloitte review comprises four distinct stages:

Firstly, Deloitte identified key indicators reflecting the hallmarks of potential non-genuine members. These included, but were not limited to, having incomplete data on their membership file, sharing contact information with other members, belonging to a branch in a marginal or held seat, especially if there had been significant increases in membership and there were high concentrations of members paying concessional or tier one membership fees, and branches where there has been many paying for memberships or renewals in cash.

Second, Deloitte collated and analysed existing membership records in order to create a list of members who were considered at risk of being non-genuine. This work led to a list of a large group of members who warranted further examination.

Third, Deloitte conducted a deep dive forensic analysis of the group of members requiring further scrutiny. This included contacting members, examining information supplied to the Victorian Branch of the ALP, and comparing addresses against those on the electoral roll. The bulk of this work has been completed, but some analysis is ongoing and is expected to be completed by December.

Finally, Deloitte has provided recommendations to improve ongoing assurance mechanisms. We have considered this advice in preparing many of the Recommendations in this Report.

The Deep Dive & Action Taken

The critical analytical stage of the review comprised multiple pieces of work.

The broader group of members flagged by the earlier analytical work was broken down into smaller groups, with separate processes applying to each group in order to exclude genuine members from the audit as far as possible.

The first group of members written to had no email or mobile phone number listed on their membership file.

This is a tactic used by stackers who want to avoid non-genuine members being contacted by the Party. This is not to say that all members who do not have a mobile phone number or email address are non-genuine, but it is a method of control that is sometimes used by stackers.

On our behalf, Deloitte wrote to the members whose membership files did not have this important contact information asking that they provide an email and mobile phone number. The members who did not provide this information received a further letter from us asking that they provide this information or explain why they were unable to by 21 October 2020. In order to accommodate the diversity of the Party, this letter was translated into 12 languages.

For those who ignored this letter, using our powers under the Party Rules, we have revoked their memberships.

In doing so, we removed around 350 members from the roll.

The second larger group of members identified by Deloitte's analysis were written to asking that they complete a questionnaire about their membership. Those who did not have an email address listed, received a text message asking that they complete the questionnaire.

A selection of members who received this questionnaire were shown a copy of their membership application form and, among other things, were asked to confirm that they had completed the form themselves and to confirm whether the signature on the form was their own.

The response rate from this group was poor, with around two-thirds of members failing to complete the requested questionnaire. We accept that there is a range of reasons why genuine members may not have been able to complete the questionnaire, however, the extent of the non-response rate was concerning and may reflect that many of these members are non-genuine.

In order to ensure that genuine members were not removed from the Party because, for example, they missed the email, we then wrote to those who did not complete the questionnaire and invited them to explain why they had not completed it. In other words, we asked these members to show cause why they should remain a member.

Using our powers under the Rules, we revoked the memberships of the members who failed to respond. In doing so, we removed around 1360 members from the roll.

We are continuing to finalise the outcomes of the audit as we have not yet received Deloitte's final report on its forensic membership review.

Those who belatedly provided contact details, as well as those who made a submission as to why they did not complete the questionnaire, will be asked to undertake further steps as part of the membership audit shortly.

As to those who completed the questionnaire, we will be analysing Deloitte's findings in order to consider whether further action is required for members who the review indicated are likely to be non-genuine members.

We are confident that once this work has finished, we will have, to the extent possible, brought integrity back to the Party membership roll.

Investigation into Branch Stacking

In addition to cleansing the membership roll of non-genuine members, we considered it was critical to investigate the actions of some members in the Party, including those identified in the media, in order to hold them to account for the damage they inflicted on the Branch.

One of the resounding themes from our initial feedback was that members wanted decisive action taken against those who had brought the Party into such profound disrepute.

The Victorian Attorney General has also referred the allegations of corrupt conduct to the Independent Broad-based Anti-corruption Commission and the Ombudsman. This led to IBAC announcing that it had launched ‘Operation Fortescue’, which will *“examine a range of matters concerning allegations of ‘branch stacking’, and other matters aired recently in media reports, and other related complaints made to IBAC”*.¹

This process is being run independently of the Victorian Branch. The Branch will assist with inquiries where it is requested and keenly awaits the outcome of that important work.

Steps Taken to Hold Those Responsible to Account

The first step taken was to improve our capacity to deal with those responsible for branch stacking by proposing a suite of rule changes that enhanced our powers to remove stackers from the Branch. We also proposed changes to improve the efficacy of the Disputes Tribunal.

These changes were made by the National Executive on 14 September 2020.

The second step was to change the guard of the Disputes Tribunal. While we would like to express our gratitude to the former panel for their important and often thankless work, we believed a fresh panel represented the best way forward.

In doing so, we appointed three eminent lawyers, including a former Justice of the Supreme Court of Victoria, to compose the new panel. The three members – Kate Auty, Ross Howie, and Kevin Bell – are all members of the ALP. This decision provides all members with an assurance that disputes will be heard without any perception of bias and according to proper processes.

The third step was to pass a resolution requiring all members of the Branch to cooperate with our investigation. The power granted to us under the new rules means that, if members do not cooperate with our investigation, we are able to revoke their memberships after providing an opportunity for them to show cause.

In order to understand what led to the 60 Minutes episode, and to determine who was involved, we reviewed thousands of membership forms and membership summary forms, spoke and wrote to members of the Branch, and corresponded with branch secretaries.

The natural place to start was with those named in the 60 Minutes episode. Accordingly, we wrote to these members. In doing so, we noted that a failure to comply with our investigation could result in further action being taken against them.

1. IBAC, Media Release, “IBAC confirms Operation Fortescue”, 17 June 2020.

Two of these members resigned from the Party shortly after we wrote to them.

We have also exercised our powers to revoke the membership of another member.

We have also written to a range of other members who have become known to us through our investigation. As a result of this work, we have revoked the membership of another member who we believe breached a number of the Victorian Branch Rules.

In order to meet our members' expectations, we will continue to investigate those who may have stacked branches, breached the Party rules, or otherwise damaged the Labor brand.

Those who caused such profound pain and shame to our Party must, and will, be held to account.

Finally, in order to protect the Branch from these members seeking to slip back into the Party ranks after the Administration concludes, we have resolved to amend the Membership Protocol to prevent any member who resigned, or had their membership revoked, during the Administration from re-joining until 1 January 2023.

We believe that some members may resign their memberships in order to avoid the scrutiny of our investigation but may intend to re-join the Branch following the conclusion of our appointment.

It would be an affront to all members if this were to happen.

Recommendation 30 is proposed to address this risk.

Joining & Renewing

When it comes to improving the accountability, integrity, and democracy of the Party, there are few more important reforms than those that may be made to the way members join the Party and renew their memberships.

Following the Scoping Report in July, the Rules were changed to prohibit cash and other forms of non-traceable payment. This was a critical down payment on breaking the stacking business model. To quote from one submission:

The most important reform needed is that members should have to pay for their own membership by traceable means, with no exceptions.

The move to ban cash was immediately effective. For this year's renewals, the Party saw significant growth in traceable payments, with 88.8% of members paying traceably, up from 67% at around the same time in 2019.

Prohibiting cash and other forms of non-traceable payment is, however, just a start. There are significant additional reforms required to improve how members join the Party, how they retain membership, and to ensure that these processes are robust enough to stave off branch stacking. Many of the submissions we received discussed the need to improve membership enrolment and retention mechanisms, and saw Party growth as a counter-weight to branch stacking. As one submission put it:

The membership of the Labor Party should reflect our voting base. We must promote diversity to build unity and strength. The best way to quash branch-stacking is through the weight of genuine members.

Joining the Party

The current arrangements for new members to join the Party at a local branch meeting are often misused as part of branch stacking operations. The ability to create controls and meaningful standards is hampered by some Branch Executives being active participants in branch stacking or unaware of the Rules and their application.

It is well-known that allowing members to join at local branches creates the risk that non-genuine members may be enrolled. The most effective way to deal with this risk is to remove it. We believe that there should be one door into the Party, managed centrally with proper oversight. All new members should join through the State Office using a process managed by the proposed Membership and Engagement Division under Recommendation 14. The effect of this would be two-fold: firstly, it reduces the risk of people exploiting local branches to stack new members; second, it would create a more meaningful and engaging joining experience for new members.

After joining, the State Office would allocate the new member to a local branch based on their address.

Recommendation One

That the National Executive amends the Rules so that all new members:

- Join centrally in a simple, user orientated on-line process; and
- Who are unable to apply online are able to apply using hard copy forms or over the phone, with the assistance of the State Office.

Recommendation Two

That the National Executive amends the Rules to provide that:

- Any new member is allocated to a branch within four weeks of joining; and
- The State Office will contact the member with the local branch details and the date of the next branch meeting.

Recommendation Three

That the National Executive amends the Rules to provide that:

- New members must attend one branch meeting in their first 12 months of membership and will obtain voting rights 24 months after attending their first branch meeting; and
- The State Office will write to new members within four weeks of attending their first branch meeting notifying them of the date from when their voting rights will accrue.

Renewing & Maintaining Membership

One problem that has been identified through the membership review and the Administration is that the current membership database is outdated and inhibits the ability of the Party to identify and address branch stacking. We believe it is critical to introduce a new system which allows better engagement with members, improves the retention of members, and makes it easier to renew and update members' details.

This will require the Party to invest in a new membership database.

A 'Request for Price', which has been informed by the deliberations of the Administrators, State Office staff, the insights obtained through undertaking the membership audit, and the practices of like organisations, including unions, has been submitted to potential providers. The aim is to have a new database and system in place by mid-2021.

The new system will be linked with external systems, and have the capacity to undertake identity checks of new members, and regularly review the membership to ensure alignment of electoral and party addresses. It will integrate membership, assurance, financial, communication, and campaigning platforms.

Importantly, it will allow the Party to bring its membership payments system into the 21st century, and allow members to make regular rolling payments, based on automatic deductions from the member's personal bank account.

With this in mind, we are recommending significant changes to the way memberships are paid for and renewed.

The current system, whereby there is a single renewal date, not only facilitates branch stacking by allowing stackers the opportunity to renew all their members in one fell swoop, it also means that there is a high rate of membership churn as genuine members miss renewal deadlines or cannot afford to pay for their membership in a single lump sum.

The opportunity to allow members to pay monthly, quarterly or annually may increase the desirability of membership to working Victorians including union members. One annual lump sum payment in the hundreds of dollars is inaccessible to many - we are simply excluding people if we continue this method.

We are therefore proposing that members pay for their memberships in an ongoing way, with regular payments - monthly, quarterly or annually - to be debited from a member's bank account.

Our affiliated union members would be familiar with these arrangements as it is how most union members pay their membership dues. It also ends the annual practice of renewals, where hundreds of membership payments are delivered to State Office accompanied by large branch-based payments.

Members would, however, receive an email on the anniversary of joining, confirming that they still wish to be members and reminding them to update their details if required. The new membership system will automate this process.

Importantly, these changes will provide a more convenient way for members to ensure the continuity of their membership and will allow them to spread their financial commitment across twelve months, rather than requiring payment in one lump sum. These changes address concerns raised in submissions about the membership of some members unintentionally lapsing under the current system, and will eliminate the need for branch executives and Party volunteers to make reminder calls.

Recommendation Four

That the National Executive amends the Rules to:

- Require membership fees to be paid by monthly, quarterly, or annual direct debit from the member's personal bank account or credit card; and
- Permit members unable to pay by direct debit to pay annually by personal cheque drawn from their own identified bank account.

Rule 5.10.6, which allows one member to authorise another family member who lives in the same household to renew that member's membership on their behalf, will continue to apply.

Before the Rule changes in this Recommendation take effect, the Branch must first have the capacity to implement and maintain them using the new membership database.

Recommendation Five

That the National Executive amends the Rules to:

- Abolish renewals for members on direct debit arrangements;
- Provide that members must resign, be expelled, or fail to address a default on their direct debit payment within six months to discontinue their membership;
- Provide that, for those members who pay by personal cheque annually, the renewal date will be the date on which that member joined the Branch; and
- Require the State Office to write to members on their membership anniversary:
 - Confirming their ongoing membership of the Party; and
 - Asking them to update their membership details if there have been any changes to their address and their entitlement to the membership rate claimed.

Before the Rule changes in this Recommendation take effect, the Branch must first have the capacity to implement and maintain them using the new membership database.

Member Engagement Through Better Branches

The Party needs to better engage its members, and provide them with a more fulfilling and rewarding experience. An engaged membership is a strong bulwark against branch stacking and a way to ensure accountability, integrity, transparency and democracy is cultivated and maintained.

This begins with the key organisational building block for the Party - the local branch.

While there are many active and vibrant branches, run by hard-working, diligent and dedicated Branch Executives, many branches have become stale or are run only to conduct internal party business. This torpor has contributed to branch stacking.

As one submission suggested:

Branches need to stop formally meeting just to talk into a vacuum.... If branches want to remain relevant, they need to become active platforms to organise and promote the ALP in the wider community.

Even more concerning are recent media reports about displays of aggression and disorder at local branch meetings.

While there are various views on the ways to reinvigorate local branches and branch meetings, one thing is clear – the way branches are structured and operate needs to be modernised to improve accessibility, convenience and engagement.

The COVID-19 pandemic has meant that video conferencing and remote access to meetings and discussions is now the norm.

Industry Super Fund Trustees, through to local bowls clubs, can formally meet on a video conference, but a local ALP Branch cannot. The time has come for this to change.

Reforms to long-standing institutional arrangements can be controversial and complex. However, the notion that the local branch structure could be revitalised in order to improve the member engagement is not new. In this regard, we echo the sentiment of Bob Hawke and Neville Wran in their 2002 Report:

“Members—and we are certain, prospective members—want something more than the often stultifying experience of branch meetings.”²

Branches need to be meaningful for members, run efficiently, be accountable and transparent, and be at the centre of our Party’s work at a grassroots level. This will not only make for a better membership experience, but will also help the Party campaign and deliver on its fundamental objective of forming government. We want our Party, including all branches to be a locus of robust debate, where the contest of ideas can thrive, and we believe the best way to do this is to bring groups of members together. This will improve the experience of the membership by making it easier for Members of Parliament to engage with Party members from their electorates.

2. Bob Hawke and Neville Wran, National Committee of Review, August 2002, p.5.

Victorian Labor has a proud history of supporting branches for members from a non-English speaking background which adds to the rich tapestry and representativeness of the Party. We also acknowledge that members in some larger regional and rural Electoral Districts may not be able to regularly attend their local meeting due to the distance required to travel to another regional centre. The new arrangements need to be created in a way that existing members are not disenfranchised.

Recommendation Six

That the National Executive amends the Rules to:

- Replace local branches with a single branch per Victorian Electoral District;
- Provide that members belong to the local branch in the electorate in which they are enrolled to vote; and
- Provide that members who are not on the Australian Electoral Roll are allocated to the branch within the electorate of their verified residential address.

The Rule changes will:

- Provide an exception to the single branch per Victorian Electoral District Rule to allow current branches associated with regional towns in Electoral Districts of more than 1,350 square kilometres to continue to operate; and
- Allow the Administrative Committee to establish a second branch in a single Victorian Electoral District if a local branch has more than 300 active members or where the geography of a surrounding Federal Electorate requires a second branch.

Further, that any decision by the Administrative Committee to establish a second branch in a State Electorate of less than 1,350 square kilometres in size will require the affirmative vote of three-quarters of the Administrative Committee. The Administrative Committee should be provided with evidence, such as the number of members regularly attending branch meetings, before establishing additional branches.

Recommendation Seven

That the National Executive amends the Rules so that the Central Branch is abolished.

Recommendation Eight

That all current members of the Central Branch are transferred into the State Electorate-based branch within the electorate that they are registered to vote or, if they are not enrolled to vote, within the electorate of their verified address.

Recommendation Nine

That the National Executive amends the Rules to provide that no more than 20 new members of a single branch can begin accruing voting rights in a single month.

The amendment to the Rules would provide that:

- The first 20 new members to sign the attendance book would begin accruing from that meeting;
- Any new member who signed the book after the first 20 new members would be taken to accrue voting rights from the next meeting, which they would not need to attend;
- The branch Secretary must submit a photo of the attendance book to the State Office, or upload it to the membership database, within one hour of the close of the meeting; and
- Branch Secretaries who fail to submit records of the attendance book on more than two occasions per calendar year should be removed from their position.

Recommendation Ten

That the State Office consider measures to:

- Permit local branches to utilise video conferencing platforms to facilitate formal meetings; and
- Improve member engagement by encouraging local branches and the State Office to conduct frequent online engagement events.

Recommendation Eleven

That the National Executive amends the Rules so that:

- All transfers between branches are completed online and are overseen by the State Office;
- The role played by local branches in local branch transfers is removed;
- The State Office will validate any transfer form, including by reviewing the applicant's claimed address, to ensure that the applicant has applied for the correct branch based on their Australian Electoral Commission or verified address;
- The State Office will write to the applicant notifying them of the outcome of the application. In doing so, if the application is successful, the State Office should provide the contact details of the relevant branch executives; and
- If a member updates their address and moves to a new electorate, the State Office will allocate them to the branch within that electorate. In the event that there are multiple branches in the electorate, the member may elect which branch they are allocated.

We do not propose to change the make-up of State Conference. Current arrangements, whereby delegates are elected on the basis of FEAs and by affiliated unions distributed on the basis of the number of members in those FEAs as well as the size of each union should continue.

While this make-up is well-understood, adheres to the principle of one vote, one value, and has served the Party well, issues have been identified with the integrity of electing delegates and voting in other internal Party processes, which are covered later in this Report in the 'Integrity' section.

Improving the Membership Experience

Along with the transition to one branch per Victorian Electoral District, we believe that groups of members who are bound by common interest, social origin, or culture and language should still be able to meet under the Labor banner. These groups should be supported by Victorian Labor, assisted by better engagement from the State Office, and provided with resources to make their membership meaningful.

Recommendation Twelve

That the National Executive amends the Rules to provide that:

- Where a current branch has either a language or cultural community of interest basis to continue, it may apply to the Administrative Committee to continue as a sub-branch of the relevant Victorian Electoral District-based branch;
- Members who live outside of the electorate that the sub-branch is within should be permitted to attend if they share the sub-branch's cultural or community interest;
- Members of a sub-branch do not gain additional voting rights beyond their allocated branch; and
- Attending a sub-branch will not meet the attendance requirements for new or existing members under recommendation three.

The topic of membership fees was canvassed in many submissions. While there was a general view that the Party should avoid making the price of a membership cost-prohibitive for the people we seek to represent and want to join our movement, there was support for changing the fee structure.

The Deloitte review indicated that, in many instances, non-genuine members joined the Party on the lowest tiers of membership rates and that many claimed a concession rate for which they may not have been eligible.

Over the past twenty years, the percentage of members paying the lowest fee tiers has increased from 43% to 59% and membership fees for the two lowest income tiers have fallen by more than 20% and 13%, in real terms, over the same period. Perversely, fees have increased for average wage earners and reduced for high-income earners over this time. One submission suggested:

Whilst not unanimous amongst our members, some believed a higher category should be added for members earning executive rate salaries. All members agreed a new lower rate should be created for members earning closer to the \$63,000 figure.

This change in fee structure has coincided with a period of low membership growth and poor retention of members. Membership levels have fallen significantly over the past twenty years on a per capita basis. It is no coincidence that this period of poor membership growth, coincided with the Party giving a low priority and insufficient resources to attracting and servicing members.

Many submissions highlighted this, with one noting:

I'm a relatively new member. I have never felt a direct sense of belonging upon membership. There is no real guidance once joined and it's almost like flying blind as to how the party works and engages with members.

Another submission suggested:

The Party must make membership recruitment, retention, development a major priority. The Party needs to establish and fully resource a membership unit to carry out a range of membership functions.

While we certainly do not want to make membership fees a barrier to people joining the Party, it is clear that the fee structure needs change. It is therefore proposed that income tiers are reviewed in order to better reflect the capacity to pay of high-income earners.

The ultimate result of this would be to increase membership revenue in order to improve the membership experience and to increase the Party's capacity to campaign.

Recommendation Thirteen

That the Interim Governance Committee, as described in Recommendation 31, reviews, and recommends changes to, the current membership fee structure in order to better reflect the capacity of high-income earners to contribute to the Party.

Changes to the fee structure should take place after the Victorian economy has recovered from the impact of the global pandemic.

Further, that membership fees should be indexed.

A consistent theme from Party members is that they want a growing Party, with long-term political viability that succeeds in getting Labor governments elected.

We can't rule change our way out of branch stacking. The only way to undermine branch stacking is to grow the party membership to a point where branch stacking becomes difficult if not impossible. The ALP needs to become a broad and mass party.

The 2010 Review undertaken by Bob Carr, John Faulkner, and Steve Bracks prioritised Party growth as a key pillar of reform. Nine separate recommendations were made supporting Party-building work and recommending an organised approach to growing the Party membership.

More generally, the recent consultation with Party members found that greater interaction between individual members and the Party, Members of Parliament, and the State Office is greatly desired.

The Victorian State Office is required to do many things – it operates a small organisation that undertakes work required under the Rules, meets obligations to regulators, trains campaigners, and most significantly, it runs election campaigns.

There is an opportunity to make a financial investment in growth through an investment in a member recruitment, retention and engagement that pays dividends through higher membership levels and the accompanying membership fees.

Recommendation Fourteen

That the State Office establishes a Member Services and Engagement Division that has responsibility for:

- Supporting branch activities;
- Supporting the policy, outreach and activism of Policy Committees and other policy-based groups within the Party, including to improve engagement with members;
- Promoting Party engagement activities, including the resourcing of related groups within the Party, including Victorian Labor Women's Network, Young Labor, Country Labor, Rainbow Labor and Labor Environment Action Network; and
- Providing information, engagement, and other services for Party members.

Recommendation Fifteen

That the State Office adopts a formal membership target of 20,000 members by December 2024.

Integrity

There are a range of measures required to improve integrity and assurance processes within the Victorian Branch.

The Deloitte review indicated that there were high numbers of members whose address on the Party list did not match their address on the Australian Electoral Commission electoral roll, as well as members who were paying concessional rates without verification or proof of a concession entitlement. This is unacceptable.

There is clearly a need for improved enforcement of the current rules that impose a positive obligation on members to provide and update their address and other information, and to show proof of identity when voting in in-person internal ballots. A new membership database will make it easier for members to provide and update their details. It will also allow the Branch to conduct identity checks without storing documents relating to those checks.

While the Rules currently require evidence of identity for voting in internal ballots, this is often inconsistently enforced. This rule should be clarified to include a positive obligation on returning officers to check for identity.

Recommendation Sixteen

That the National Executive amends the Rules so that:

- Mandatory photo identity checks are required for all new members when joining the Victorian Branch; and
- Proof of eligibility is required for any claim for concessional membership rates.

Before the Rule changes in this Recommendation take effect, the Branch must first have the capacity to:

- Implement and maintain them using the new membership database; and
- Ensure that members' data is secure.

While the Party can further examine mechanisms by which the integrity of internal elections can be improved in the longer-term, in the short-term, a significant and meaningful change can be made to require identity checks.

Recommendation Seventeen

That the State Office takes steps to ensure that the current Rule 9.3.8.3, which requires voters to produce evidence of their identity to FEA Returning and Deputy Returning Officers when voting, is properly observed.

Further, that National Executive amends the Rules to extend the intent of Rule 9.3.8.3 to apply to all attendance ballots of members within the Victorian Branch.

Governance

While the current Party Rules set out the powers and duties of the Administrative Committee, there is a lack of clarity about the Administrative Committee's responsibilities when it comes to culture, standards and governance within the Party. This lack of clarity has no doubt helped facilitate branch stacking.

One submission suggested that:

Members of the Administrative Committee do not act as trustees of the party, but as advocates for their factions, or stakeholders. They advocate for their warlord's memberships to be approved, their candidates to be preselected and those to be resourced.

The Lavarch-Mills Review of NSW Labor made observations relating to the importance of strong governance and oversight:

In a well-functioning organisation, robust oversight shapes the exercise of power by managers and by directors, and provides assurance to all stakeholders, not least regulators, that the organisation is functioning as it should. A central design feature of good governance practice, whether in private, public or non-profit sectors, is the separation of oversight functions from management functions.

*This critical distinction applies with equal validity in political organisations. In a well-functioning political party, we would expect to see both executives (the political leadership) and directors (the oversight bodies such as the Administrative Committee) operate with a clear understanding of their distinct and interrelated roles and responsibilities. In particular, the need to separate political decision-making from regulatory compliance is understood and is both structurally and operationally provided for.*³

While the broad institutional arrangements of the Party, spanning the political and industrial wings, are unique in Australia, the key issues for the Party's governance are similar to other organisations. Importantly, the Party's members, and its regulators, expect a well-run organisation that pursues its mission, complies with the law, and fulfils regulatory requirements.

As one member put it:

The governance of the party needs a serious overhaul - most branch members belong to other groups in their communities where good and proper governance is the key to a successful organisation.

Fundamentally, there needs to be a cultural change. The current culture of the Victorian Branch has resulted in multiple failings that have contributed to the rise of branch stacking, including:

- A permissiveness for manipulation of the branch and membership structures;
- Low standards in governance and operations; and
- A lack of collaboration and co-operation between groups within the Party.

3. Lavarch and Mills Review into NSW Labor State Office Interim Report, December 2019, p.35.

To address these shortcomings, the Administrative Committee should be required to act in the best interests of the Party, and not Committee members' sub-factions. The Committee should be charged with ensuring the integrity of the Party and the membership.

Recommendation Eighteen

That the National Executive amends the Rules to state that the Administrative Committee, and its members, must act in the best interests of the Party.

Recommendation Nineteen

That the National Executive amend the Rules to make clear that the Administrative Committee is responsible for ensuring the integrity of the membership roll.

Recommendation Twenty

That the National Executive amends the Rules to make clear that the Administrative Committee is responsible for maintaining systems to ensure that a member's address is the same as their Australian Electoral Commission address, if they are enrolled to vote.

There are also issues with the size and composition of the Administrative Committee. A committee of thirty members plus the three Officers of the Party is unwieldy and not reflective of like organisations. Many Committee members lack governance experience, a problem which is exacerbated by the rampant use of proxies.

Recommendation Twenty-One

That the National Executive amends the Rules to provide that:

- The Administrative Committee is comprised of the three Officers plus a maximum of 17 members elected by State Conference; and
- At the commencement of their term, each member of the Administrative Committee may appoint an alternate member, who may attend and vote as a proxy in the event that the Committee member cannot attend.

To improve the functioning of the Administrative Committee and simplify the way it makes decisions the Rules should, as far as possible, be modified to create a two-tier majority for decisions; a simple majority - 51% - for day-to-day business decisions, and a special majority - two-thirds - for significant decisions as set out in Recommendation twenty-two. While the two-tiered majority should apply to most decisions, some determinations, such as the power to suspend members for who are alleged to have breached the branch stacking rules, should be remain at their current threshold.

Recommendation Twenty-Two

That the National Executive amends the Rules to provide that the Administrative Committee requires a simple majority for day-to-day business decisions, and a special majority of two-thirds of members voting for:

- The appointment of Officials (State Secretary, Assistant State Secretaries);
- The appointment of Committee members on the recommendation of the Governance and Personnel Sub Committee;
- Rule change recommendations to appropriate body;
- The approval or amendment of key strategic documents (including annual organisational plans and budgets) and internal policies;
- The appointment of the Party Monitor; and
- Allowing members to re-join the Party who would be prevented from re-joining due to Recommendation three.

That the National Executive amends the Rules that currently require 22, 25 or 28 votes in favour of a specific action of the Administrative Committee to account for the reduced size of the Administrative Committee established under Recommendation 21, maintaining the same relativities.

Improving the governance capability of Administrative Committee members will elevate the operating standard, focus and profile of the Committee and the Party. Those capabilities can be complemented by co-opting on to the Committee subject matter experts from within the Party membership.

For any well-governed organisation, a functional set of sub-committees with appropriately skilled members is critical. To expand the skillset on sub-committees we recommend a new Rule allowing the Administrative Committee to appoint on a merit basis a small number of external members to sub-committees.

Recommendation Twenty-Three

That the National Executive amends the Rules to provide that:

- The Administrative Committee has the following three standing Sub-Committees:
 - **Finance, Risk and Audit** – to oversee the organisation’s finances, risk management and audit functions;
 - **Membership** – to oversee membership process including standards, applications, recruitment and member services; and
 - **Governance** – to make recommendations relating to the appointment of sub-committees and Party Officials; and ensure that the Party and the Administrative Committee’s arrangements and operation reflect good governance practice; and further that,

- Each sub-committee has at least three members of the Administrative Committee, no more than three externally-appointed members and the Party Officials will attend as non-voting members; and that,
- The Membership Sub-Committee replaces the Membership Administration Committee.

Each Sub-Committee will have a role in overseeing specific aspects of the Party's affairs and raising them to a higher standard of governance.

An absence of appropriate systems, support and training have led at times to poor practices and manipulation of the Rules within the Victorian Branch and on the Administrative Committee. During our consultations, many branch members called for more training and operational support for Branch Executives, and for support to promote branch activity and vibrancy.

Executive Committees are volunteers expected to perform a professional role on the exec[utive] without any training or in many cases experience of facilitating meeting[s] and/or any of the positions they are elected to do. Compulsory training for all exec[utive] committees is very important for better branch outcomes with discussions and keeping members engage in robust debate and discussion.

Head office should devote more time to training members and Party activists, providing material to new members to educate them on how the Party works, and put out more information to members on Party decisions within a coherent information sharing policy, with technical assistance to facilitate the delivery of this.

Further to this, the Bracks-Carr-Faulkner review identified training, branch support and resourcing as critical elements to grow Victorian Labor.

Recommendation Twenty-Four

That the State Office provides compulsory governance training for incoming Administrative Committee members, their alternate members, and Party Officers Committee members.

Recommendation Twenty-Five

That a Branch Executive training program be introduced for all Branch Executives that includes, but is not limited to, the revision of membership rules and systems, Electoral Act compliance, branch functioning, standing orders and local activism.

The introduction of independent assurance and transparency of decisions within the Party would be a significant improvement on past practice. It would also be an important mechanism to change behaviour within the Party.

Recommendation Twenty-Six

That the National Executive amends the Rules to establish a Party Monitor.

The Party Monitor would be appointed by a resolution of the Administrative Committee passed by two-thirds of the members of the Committee present and voting on that resolution. The same threshold will apply to their removal.

The Party Monitor's role will include, to:

- Consider complaints by members. Consequently, the Party Officers will no longer carry the responsibilities to deal with disputes conferred on them by rule 7.2.6;
- Make referrals to the Disputes Tribunal stemming from those complaints. Consequently, the responsibilities of the State Secretary in sub-rules 20.2, 20.8, and 20.11 will transfer to the Monitor;
- Undertake annual reporting to members relating to the Party's compliance with the Rules, including the functioning of the Administrative Committee and its Sub-Committees;
- Undertake an review of the integrity of the Party membership and membership arrangements every two years;
- Provide a report to the Administrative Committee on the findings of the review of the Party membership every two years; and
- Until 31 December 2025, report annually to members on the implementation of recommendations arising from this Report.

The first Party Monitor appointed by the Administrative Committee will commence at the conclusion of the term of the inaugural Party Monitor, which will be appointed by the National Executive, as described in Recommendation 33.

The Party Monitor will be provided external support to conduct its auditing and regulatory functions.

A recurring issue raised by Party members is the lack of transparency and accountability relating to State Office and, in particular, the Administrative Committee. It is incongruous that a membership-based organisation, committed to democracy, does not have a commitment to reporting to its membership on priorities and performance. To quote from a submission:

Members want transparency about who is running the organisational side of the Party.

Recommendation Twenty-Seven

That the National Executive amends the Rules to oblige the Administrative Committee to:

- Provide an annual report to the Party members on membership matters, such as the number of members and member activities;
- Provide an annual summary to the Party membership of the Party's financial position; and
- Provide a report to State Conference in respect of the integrity of the membership roll as per its responsibility in Recommendation 19; and
- Provide a report to the membership summarising the Party Monitor's membership integrity report as set out in Recommendation 26. In doing so, the Administrative Committee should detail any action it has taken to address issues identified by the Monitor.

Recommendation Twenty-Eight

That the Interim Governance Committee considers measures to ensure that proactive strategic and financial planning, as well as risk-management, are built into the work of the Party leadership. Such mechanisms could include requiring the State Secretary to:

- Report against a strategic plan at State Conference; and
- Report to State Conference on the results of a membership engagement survey every two years.

The combined consequence of these recommendations is that every step in a membership process is renewed and more robust. The eight steps are:

1. A member applies to join through a centralised process, paying for their membership by traceable means.
2. The member's application is processed through a new membership system integrated with external data sources that reviews identity, concession and enrolment information.
3. The member must attend a branch meeting in their first 12 months of membership and will obtain voting rights 24 months after they attend their first branch meeting.
4. All transfers between branches are conducted centrally, overseen by the State Office.
5. The process is supported by a new and well-funded membership and engagement division of the State Office.
6. The governance of the process is overseen by a renewed Administrative Committee, which must put the interests of the Party first, complemented by a small, dedicated sub-committee responsible for memberships.
7. Assurance on rules and processes is undertaken by the Party Monitor who reports annually to the Administrative Committee.
8. The Administrative Committee reports annually to the membership on the membership integrity and action taken in respect of the Party Monitor's report.

Implementation, Conclusion of Administration, & the Transition to Normal Party Operations

The tenure of the Administrators concludes on 31 January 2021.

We appreciate that many of our Recommendations are significant and, if they are to deliver the cultural shift the Party needs, they must be codified into the Rules.

There are Rule changes that we believe that the National Executive should make no later than 29 November 2020.

Firstly, there is a misalignment between the extended renewal date and the intent of the current rules 5.7.6 and 5.12.2

The ‘grace period’, which allows financial members to renew within six months of the ‘due date’, without the need to reapply is based on a May renewal date, meaning the second date is in the same calendar year. However, the extension of the 2020 renewal date to 30 September due to COVID-19 results in the second date overlapping with the earliest possible date for 2021 renewals.

In addition, we have a concern that some members who did not renew this year may intend to renew after the Administration in order to avoid the audit or our investigation. Because voting rights have been suspended, members who lost continuity, but did not need to re-join, may regain continuity in time to vote at the next State Conference. Reflecting our concern, we have identified an overlap between members who did not renew this year and members flagged as being potential non-genuine members by the membership review process.

A temporary revision to rules 5.7.6 and 5.12.2 is urgently required to resolve this misalignment and to address our concern. It is critical that this Rule change is made no later than 29 November 2020 to avoid significant problems arising with the membership database.

Recommendation Twenty-Nine

That the National Executive amends Rules 5.7.6 and 5.12.2 (as set out below) no later than 29 November 2020 to account for the delayed 2020 renewal date and so that current arrangements reflect the original intent of the rules.

- Rule 5.7.6: If a Local Branch member fails to renew their membership by the due date under Rule 5.12.1 but then renews by the last day of November in the same year under Rule 5.12.2, their membership rights as both a Local Branch member and a member of the Party accrue from the date their membership renewal was processed by State Office.
- Rule 5.12.2: Members who fail to renew by the due date lose their membership continuity as both a Local Branch member and a member of the Party for voting purposes, but if they renew by the last day of November in the same year are not required to reapply for Local Branch membership under Rule 5.6.

Secondly, we recommended that the National Executive amends the Rules to prevent those who resigned, or had their memberships revoked, during the Administration from re-joining the Branch until 31 December 2023.

Recommendation Thirty

That, in order to protect the Party, the National Executive amends the Rules to prevent any member who resigned, or had their membership revoked during the Administration, from re-joining the Branch until 31 December 2023.

Further, to amend the Rules to provide that any member who resigned or had their membership revoked during the Administration may only be permitted to re-join on an affirmative vote of at least two-thirds of the Administrative Committee.

Accordingly, that the National Executive inserts new Rules 5.3.6 and 5.3.7, as follows:

- 5.3.6. Subject to Rule 5.3.7, a person is not eligible to join the Party until 31 December 2023 if that person, between 16 June 2020 and 31 January 2021:
 - 5.3.6.1. resigned from the Party; or
 - 5.3.6.2. had their membership of the Party revoked.
- 5.3.7. A person who, by operation of Rule 5.3.6, would not be eligible to join the Party before 31 December 2023, may only join the Party before that date on the affirmative vote of at least two-thirds of the members of the Administrative Committee.

The Transition to Normal Party Operations

For the Victorian Branch to successfully stamp out branch stacking, and return to normal operations, the structural and other reforms recommended in this Report must be implemented.

Against the backdrop of this Report and the National Executive's June resolution, a transitional period of interim governance is necessary.

State Conference should not recommence until the recommendations in this Report, to the fullest extent possible, are implemented. The National Executive should exercise its powers to appoint an Interim Governance Committee to oversee the Victorian Branch during this critical transitional period.

The Interim Governance Committee would comprise the Party President, as well as three other members of the Victorian Branch, including one Victorian Member of the National Executive.

The Interim Governance Committee would oversee the implementation of the recommendations in this report. It would operate by consensus. The Interim Governance Committee would also be responsible for:

- Standing in the stead of the Administrative Committee;
- Organising FEA elections for delegates to State Conference;
- Organising a State Conference, as described in Recommendation 35;
- Reviewing and aligning the capacity of the State Office with the recommendations in this report;
- Successfully implementing the new membership database; and
- Reviewing the membership fee structure.

Recommendation Thirty-One

The National Executive appoint an Interim Governance Committee, which operates by consensus, comprising:

- The President; and
- Three other members of the Victorian Branch, one of whom is currently a member of the National Executive.

The President will be the Chair of the Committee, and members will serve until a new Administrative Committee is elected at a State Conference.

The Interim Governance Committee will stand in the stead of the Administrative Committee, and be first and foremost responsible for good governance until the new Administrative Committee is elected.

It will also be responsible for:

- Organising FEA elections for delegates to State Conference;
- Organising a State Conference, as described in Recommendation 35;
- Reviewing and aligning the capacity of the State Office with the Recommendations in this Report;
- Successfully implementing the new membership database; and
- Reviewing and recommending changes to the membership fee structure.

While a period of transitional governance represents the best course forward, we believe that the National Executive oversight will be necessary. In order to provide for this, an Executive Officer should be appointed by the National Executive to remain until the first Administrative Committee is elected at the State Conference described in Recommendation 35. The Executive Officer will report to the National Executive on the Branch's progress on the implementation of these Recommendations and will, if necessary, make recommendations to the National Executive on issues impacting the Branch's implementation of the Recommendations in this Report.

Recommendation Thirty-Two

That the National Executive appoints an Executive Officer to commence on 31 January 2021, who will remain in that position until the next Administrative Committee is elected at a State Conference.

The Executive Officer will be responsible for assisting the Interim Governance Committee with the implementation of the Recommendations in this Report and be answerable and report to the National Executive.

The Executive Officer will attend Interim Governance Committee meetings but will not vote on decisions, and will report to the National Executive on matters impacting the Branch's progress in implementing the Recommendations in this Report.

The Executive Officer may only be removed or replaced by the National Executive.

In order to oversee the transition, and to ensure the Branch does not revert to the status quo following our conclusion, an inaugural Party Monitor should be appointed by the National Executive by 1 February 2021.

The Party Monitor will triage complaints made by members and, if necessary, refer those complaints to the Disputes Tribunal. Importantly, in its second year, the Monitor will undertake a review of the integrity of the Party membership and will report on its review to the National Executive.

The Monitor will be provided external support to perform its auditing and regulatory functions.

It is critical that the person appointed as Party Monitor is held in high regard by the broader membership, has a demonstrated record of integrity, and operates without fear or favour. After a term of at least two years, the inaugural Party Monitor should be replaced by the Party Monitor described in Recommendation 26.

Recommendation Thirty-Three

That the National Executive amends the Rules to establish an inaugural Party Monitor, to commence by 31 January 2021, for a term of at least two years.

Further, that the National Executive appoints the inaugural Party Monitor.

The Administrators will facilitate this by recommending the name of the inaugural Party Monitor to the National Executive by 25 December 2020.

The role of the inaugural Party Monitor will include to:

- Consider complaints by members. Consequently, the Party Officers will no longer carry the responsibilities to deal with disputes conferred on them by rule 7.2.6;
- Make referrals to the Disputes Tribunal stemming from those complaints or of its own volition based on information that comes before it. Consequently, the responsibilities of the State Secretary in sub-rules 20.2, 20.8, and 20.11 will transfer to the Monitor;
- In its second year, undertake a review of the integrity of the Party membership and membership arrangements; and

- Provide a report to the National Executive on the findings of the review of the Party membership.

The Party Monitor will be provided external support to conduct its auditing and regulatory functions.

We also believe that the changes made to the composition and functioning of the Disputes Tribunal should be maintained, with the exception being that the sub-rules relating to the Administration cease to operate at the conclusion of the Administration. The effect of the Party Monitor, and the relationship we envision it will have with the Disputes Tribunal, will reinforce the Party against any member who seeks to engage in the behaviour that led to our appointment.

Aggrieved party members must feel as though they can make complaints that will be heard fairly and according to proper processes. More generally, the membership deserves to feel confident that those who breach the Party rules, or exploit the Party for personal gain, will be dealt with.

Recommendation Thirty-Four

That the Disputes Tribunal arrangements created for the Administration period as provided in the Rule 26.6 be applied on an ongoing basis, and Rule 20 of the Party Rules be amended accordingly.

Sub-rules 26.6.3, 26.6.4, 26.6.5, 26.6.6, and 26.6.7 should cease to operate from 1 February 2021.

Our expectation is that these Recommendations should be implemented prior to the resumption of State Conference. In line with the June Resolution of the National Executive, we believe that the next State Conference, should be held between January 2022 and May 2022, and vote specifically on:

- Members of the restructured Administrative Committee;
- Members of the Agenda and Rules Revision Committees;
- Positions of Party Officers; and
- Rainbow Labor and Labor for a Republic.
- Members of the elected Committees and bodies.

The National Executive has resolved that the suspension of preselection should be maintained until after the next Victorian and Federal Elections. Accordingly, state Conference delegates should not vote on appointments to the Public Office Selection Committee.

Recommendation Thirty-Five

That a State Conference with new rank and file delegates be held between 1 January 2022 and 31 May 2022, on a date set by the Interim Governance Committee in discussion with the National Executive. It shall elect members to the:

- Administrative Committee;
- Agenda Committee;
- Rules Revision Committee;
- Rainbow Labor Executive;
- Labor For A Republic Executive; and
- Positions of Party Officers.

Rank and file delegates for the State Conference should be elected no earlier than 1 January 2022. Prior to the election of delegates, the National Executive will review the Victorian Branch's capacity to hold a State Conference, taking into account various factors including the impact of COVID-19 and the advice of the Interim Governance Committee on the feasibility of a State Conference.

In alignment with the National Executive's June 2020 resolution, the State Conference should not elect new members to the Public Office Selection Committee until 2023.

We have not arrived at these positions lightly. However, the infrastructure of good governance must be established to support and improve the Administrative Committee, and the implementation of our remaining recommendations must occur before resumption of unbridled voting rights. The integrity of the membership roll is vital.

In order to support our work in our remaining time as Administrators, we urge the National Executive to endorse and, where necessary amend the Rules to implement, the Recommendations in this Report.

Recommendation Thirty-Six

That, to ensure that the Recommendations in this Report are effective and change is enduring, the National Executive commits to a review of the implementation of these recommendations to be reported to State Conference no later than 1 January 2024.

Recommendation Thirty-Seven

That the National Executive:

- Endorses the Recommendations in this Report;
- Makes changes to the Victorian Branch Rules (the Rules) to provide for Recommendations 29 and 30 no later than 29 November 2020; and
- In endorsing this Report, agrees to make the Rule changes required to provide for Recommendations one, two, three, four, five, six, seven, nine, eleven, twelve, sixteen, seventeen, eighteen, nineteen, twenty, twenty-one, twenty-two, twenty-three, twenty-six, twenty-seven, thirty-three, and thirty-four.

The Administrators will work with the Party lawyers to prepare the remaining Rule changes by 25 December 2020.

Overview of Re-Establishment Phases

	RECOMMENDED ACTION
2020	
November	<ul style="list-style-type: none"> ▪ Final Report submitted to National Executive. ▪ Consideration and response by National Executive. ▪ National Executive makes rule changes set out in Recommendation 29 and 30 no later than 29 November 2020. ▪ The Administrators engage the Party lawyers to draft the required Rule changes.
December	<ul style="list-style-type: none"> ▪ Drafting of required Rules continues. ▪ 25 December 2020 - the Administrators provide the proposed Rule changes to the National Executive. ▪ Selection of vendor for new membership system ▪ Administrators recommend a member of the Victorian Branch to become the inaugural Party Monitor.
2021	
January	<ul style="list-style-type: none"> ▪ National Executive makes Rule changes, subject to necessary amendments. ▪ National Executive appoints members of the Interim Governance Committee, and appoints the inaugural Party Monitor and the Executive Officer. ▪ 31 January – conclusion of Administrators' tenure.
February	<ul style="list-style-type: none"> ▪ 1 February – Commencement of new Rules; Commencement of Party Monitor, Executive Officer, and the Interim Governance Committee.
March	<ul style="list-style-type: none"> ▪ Commencement of new proposed Sub-committees, save that FRAC should continue to operate as it has been.
April	
May	
June	<ul style="list-style-type: none"> ▪ Commencement of transition to new renewal and management system.
July	<ul style="list-style-type: none"> ▪ Rollout of new membership system.
August	
September	
October	

November	
December	
2022	
January	<ul style="list-style-type: none"> ▪ Earliest possible date to elect delegates for State Conference. Earliest possible date for a State Conference, subject to factors such as COVID-19.
February	
March	
April	
May	<ul style="list-style-type: none"> ▪ Latest possible date for a State Conference.