

Inside Canberra

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From the Gallery

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- Kevin Rudd's downfall will not be a significant election issue. True, Queensland put the Rudd government into power, but the Labor vote and Rudd's popularity crashed in that state. This is the prime reason a significant majority of Caucus wanted him out and Gillard in.

- The yarn leaked to Laurie Oakes by Rudd, or one of his few followers, was that Gillard wshed on a deal at their meeting in Rudd's office on 25 June, giving him time to turn polls around for an October election. This was a hopeless offer, an admission of failure and asking too much. Rudd could not guarantee the polls would improve.

- Pamela Williams' three page forensic examination of the lead up to the meeting implies there is another, more believable scenario (*Fin*, 16 July). Gillard went into the meeting knowing she had the Caucus numbers. Her mission was to persuade Rudd to resign that night, avoiding a messy Caucus meeting next day.

- Rudd may have sought a deal, but she turned it down flat. After the meeting, Rudd fronted a press conference to say Caucus would meet the next day to decide the leadership, and he would be a contestant. When it came to the point, Rudd was told he had no chance and Gillard was elected unanimously. As we have said before, Rudd's obsessive insistence on governing alone with Cabinet as a rubber stamp brought him down.

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ELECTION SPECIAL ISSUE

Labor a clear-cut favourite in election

Labor goes into the election as a short price favourite. All the online betting shows Julia Gillard's odds at least three times shorter than Tony Abbott's as punters' choice. The Lib leader will have to defy history (and the polls) to win. No Opposition since polling started after WWII has been so far behind, this far out from an election, and won. Nor has any Opposition Leader been trailing as badly in the popularity contest and gone on to win. Should Labor be defeated, it will be the first time a party in its first term in government has been denied a second term since the Scullin Labor Government (elected in 1929).

Gillard must do a Keating after Rudd's demise?

The other unusual aspect of this election is that the Prime Minister Julia Gillard rose to the top after Caucus rejected Prime Minister Rudd, who won the last election. This is only the second time this has happened in the history of the Labor Party, the first being the defeat of Bob Hawke by Paul Keating. Keating went on to win the 1993 election. If the dark prince can win after an assassination of the popular and jovial monarch, surely the redheaded princess can, after slaying the deeply unpopular, obsessive tyrant. This will be the most presidential campaign ever.

The polls looking good for Labor

The latest Newspoll, probably the poll most relied on by politicians, taken last weekend after the election date was announced, is dreadful for the Coalition. If it was repeated at the 21 August election, there would be a landslide to Labor with a House of Representative of 99 ALP, 48 Coalition, 3 Independents. Newspoll has the Two-party preferred (2PP) vote as ALP 55% (up 2%), Coalition 45% (down 2%). The primary vote is ALP 42% (unchanged), Coalition 38% (down 2%), Greens 12% (up 2%). It's the first time since April that Labor has headed the Coalition primary vote. Crucially, Gillard has cleared out from Abbott as 'preferred Prime Minister' 57% (up 3%) to Abbott's 27% (down 2%). On performance ratings, Gillard is way ahead – 'Satisfied' 48%, 'Dissatisfied' 29%, giving her a positive reading of 19%. Abbott has 36% 'Satisfied', but 51% 'Dissatisfied', leaving him negative 15%.

What other polls say

We should add that the *Nine Network* commissioned a Galaxy poll which found, after the announcement of an election, the 2PP vote was 50% each, which means a big loss for Labor. On the other hand, Morgan – before the announcement of an election – had the 2PP at ALP 54.5% and the Coalition 45.5%. Averaging the Newspoll, Galaxy and Morgan polls gives 2PP ALP 53.2% and Coalition 46.8%, a handsome win for Labor. *The Sydney Morning Herald* reports today that Labor and the Greens are close to agreement on a preference swap. This would obviously help Labor in the House, where the government is decided and strengthened the Greens in the Senate and its hold on the balance of power. We don't think preferences deals with

Jobs, asylum seekers

the Greens mean much. Close to the election, the Greens vote will probably slip somewhat as former ALP and Coalition voters return to their party. The core Green voter would not give the Coalition preferences, particularly given the announcement by Abbott that he will not set a carbon price. This is consistent with his original declaration that climate change was 'crap'. In short, Labor can expect to garner around 80% of Greens preferences. Newspoll gives Labor a lead 31% to 25% as best able to handle climate change, not convincing for either side but clearly the Government is favoured.

Tweaking not welcomed by Abbott

On the economy, Labor has edged ahead 42% to 41%, which is important in the context of the battle over jobs. Tony Abbott puts his hand on his heart and says not only has he buried WorkChoices, but he has cremated it. Labor says don't believe him. There is reason for this scepticism. Going back a little, John Howard's life in politics was devoted to smashing union power. His father, a service station owner, had a lot of trouble in his business after the war with strikes by Transport Workers' Union petrol tanker drivers. Howard's number one lieutenant and greatest admirer was, and still is, Tony Abbott. 'Can a leopard change its spots?' says Labor. An important development on this issue was the injudicious statement by Shadow Industrial Relations Minister, Senator Eric Abetz, who said that although the Coalition in government would not change the Gillard IR legislation, it would be "tweaking" it, in the way that Gillard had "found it necessary on the odd occasion to give a ministerial direction, or to intervene in a case or indeed to change regulations".

Battle of the seats

Abbott struggled when asked about Abetz's regulation tweaking. "I, I, I, I'm saying, ah, that we will work, ah, with the independent umpire." [The government quickly sent out the transcript, with all its pauses]. The ACTU will swing into action with a barrage of TV ads warning people not to trust Abbott. You can guarantee that Abetz's tweaking will feature in these ads. Given that WorkChoices is widely regarded as the central issue of the 2007 election, this is a bad stumble by the Coalition. Gillard has made some progress on the boat people issue, but the Coalition still leads with 39% (down 5%) saying it is the best party to handle the problem with Labor on 29% (up 4%). A massive 42% are either uncommitted or say someone else (obviously the Greens). That the ALP is pulling back in this contentious area must be one of the reasons for its strong showing in Newspoll.

The woman question

Assertion on how many seats the Coalition needs swing between 16 and 17. Here is how we figure it: at present, the state of the parties is, Labor – 83, Coalition – 64 (Lib 54, Nat 9), Independents – 3 (Michael Johnson, the former Liberal MP for Ryan has been expelled from his party, but we notionally regard his seat as Liberal). A majority in the House of 150 is 76, therefore the Coalition need 12 seats net. However, the redistributions since 2007 have been kind to Labor. Malcolm Mackerras says the notional state of the parties is now Labor 88, Coalition 59, and Independents 3. This means the Coalition must win 17 seats. Working on the notional seats, to achieve the target of 76 seats for the Coalition, Labor's vote must drop to 50.2% (two-party preferred), a swing against it of 2.5%. There are seven Labor held marginal seats in Queensland and in NSW there are eight, a total of 15. Even if Abbott wins all these and holds all Coalition seats, he still has to win two seats somewhere else, with WA being the most likely. Labor believes WA has improved markedly since Julia Gillard became PM and ditched Rudd's mining tax. But Labor still believes it will lose one seat in WA.

A sleeper in this election is the prospect of Australia having its first elected female Prime Minister. Women, when asked, often say they hope Gillard wins and add that they don't want to see her elected just because she is a woman. Maybe not, but for men and women it might solidify wavering Labor voters when they think about a female PM. Abbott on TV (and that's what counts) comes across well. Gillard, now with a trademark smile, is a far better performer than the wooden and circumlocutious Rudd. She has an innate ability to come to the nub of a question with clarity and speed. At the end of the day, we still believe the issue is Abbott, not Gillard.