

Albo's pay gaffe shifts the contest back to Labor's turf

Canberra Observed
While the Coalition took a hit in the polls for the interest rate rise, Labor is feeling pretty confident about the impact of Anthony Albanese's minimum wage foray.



Phillip Coorey

When the Reserve Bank of Australia lifted interest rates last week, for just the second time during an election campaign, the Coalition consoled itself that at least the debate would stay on its turf, the economy.

It readjusted its message to impress upon voters that inflation and rate rises were a global scourge, and that the domestic concern should be about who was best to navigate the choppy waters ahead.

However, two major polls taken in the aftermath of the rate rise, *The Australian Financial Review*'s Ipsos Poll and Newspoll, were far from encouraging. Both showed small shifts to Labor, increasing its already entrenched lead and causing morale in the Coalition to sag further.

This week, when Anthony Albanese blurted out he "absolutely" supported increasing the minimum wage to match the headline inflation rate of 5.1 per cent, it was a mistake – as evidenced by two of his senior colleagues having to go out immediately afterwards with a mop and bucket to explain what he really meant.

While the government felt this played into its narrative of Albanese being an economic dunderplunk, Labor consoled itself with the observation that at least the conversation had moved to its turf – the failure of wages to keep pace with inflation over recent years. "Everything is going up except your wages" has been its signature slogan of the campaign.

The government, business and economists made the point that a wage rise of such a magnitude would be inflationary, and would drive up interest rates and put many out of business, thus hurting most those it was supposed to help.

No one opposes a wage rise. The government's own submission to the Fair Work Commission's wage hearing argues for any increase to be balanced against the need to maintain the viability of business. In terms of inflationary impact, however, most economists agree a wage rise of 3.5 per cent is as much as could be tolerated right now.

Albanese's response was to dismiss all this as "nonsense" and claim that Scott Morrison opposed wage increases for the low-paid. "The cost of everything that they buy is going up, but their wages aren't. Scott Morrison says that that's OK," he said.



The Channel Nine debate last Sunday night reflected the reality of the depth of ill-feeling between Anthony Albanese and Scott Morrison. PHOTO: JAMES BRICKWOOD

A good campaign may not be enough to undo the damage built up over three years.

He dumbed down the whole argument to one about Morrison opposing a wage rise that was worth a meagre "two cups of coffee a day" to a minimum wage earner.

Based on his own reluctance to commit to making a submission to the Fair Work Commission advocating a 5.1 per cent increase, Albanese knows he's talking through his hat. But it's an election campaign, and he also knows he can make such simplistic arguments in the knowledge that most people don't understand the complexities behind the minimum wage.

All they hear is Albanese wants them to have a 5.1 per cent wage rise, and that's pretty good, while Morrison wants them to go backwards, and that's not so good.

"It's fear and loathing time," noted one Labor strategist, adding that the goal now was to put the election result beyond doubt

and worry about the details later. It is a logic not that far removed from Clive Palmer promising, without consequence, mortgage rates no higher than 3 per cent.

The difference is Palmer will never have to deliver.

As one senior Liberal noted, Albanese's wage rise push would have been of deep concern to small and medium business operators, but most of them are already in the Coalition's column and Labor, which has a stark absence of business experience in its ranks, doesn't really care about them, let alone understand their world.

There are a lot more workers than bosses. Morrison alluded to this during the Channel Nine debate on Sunday night, the one that reflected the reality of the depth of ill-feeling between the two leaders and actually generated real news.

Albanese had asked Morrison whether all Australian workers should be paid at least the minimum wage of \$20.33. "It depends if you are running a business or not. I mean if you are running a business, I can tell you who doesn't get the minimum wage necessarily – small business owners when the money is not coming in," Morrison said.

Labor thought that somehow this was the

prime minister saying not everyone deserved at least the minimum wage.

Ultimately, however, while the Coalition took a hit in the polls for the interest rate rise, Labor is feeling pretty confident about the impact of Albanese's wages foray. It is not bracing for any adverse impact in the next round of polls.

Indeed, with just over a week to go, there's a growing sense that voters have made up their minds and are prepared to look through the foibles of the opposition leader, such is their desire to remove the prime minister.

By any objective assessment, Albanese has had a poor campaign. Apart from his period in isolation, he has pretty much averaged a gaffe per week, but the polls have stayed solid.

We saw this in 2007 when, in the lead-up to that campaign, Kevin Rudd was unscathed by revelations he once was tossed out of a New York strip club, or by his involvement with a fake dawn service from Papua New Guinea as part of his role as a regular on breakfast television.

By comparison, Morrison has campaigned well in that he has been disciplined and relentlessly on-message. Events around him have gone pear-shaped, such as the rate rise and the China-Solomon Islands deal.

But in the end, a good campaign may not be enough to undo the damage built up over the preceding three years.

Morrison still believes things can break his way in the final week, as they did for John Howard in 2004, and that minority government is at least possible. He feels up to 25 per cent of the vote being reflected in the polls is soft.

The PM's personal unpopularity is a major impediment, not just in terms of the drag on the national vote but in that it impedes his ability to campaign in certain seats under threat, mainly the so-called teal seats.

Defending these was supposed to be the job of Treasurer Josh Frydenberg, who is quite popular in Sydney. But, as he did this week, he is destined to spend the final week of the campaign trapped in his seat of Kooyong, manning early-polling booths in his own desperate bid to survive.

Phillip Coorey is *The Australian Financial Review's* political editor.

As tradies deserted ALP, so career women turn Liberal seats teal

Voting trends
Female professionals lead the demographic desertion in what used to be the safest Coalition electorates.



John Black

All the polls at this stage are pointing to a win for Labor, and I think they're correct – at this stage.

My reading of the polls and their associated demographic profiles has Labor gaining eight seats from the Coalition (Lindsay and Bennelong in NSW, Boothby in South Australia, Bass and Braddon in Tasmania, and Swan, Hasluck and Pearce in Western Australia).

This would give the ALP a bare majority of 77 seats out of the 151 in the House of Representatives.

However, there are another eight seats that are now too close call, but which could be picked up by Labor, including at least two that could go to the Greens.

These are Longman, Leichhardt, Dickson, Brisbane and Ryan in Queensland, Reid in NSW, and Casey and Chisholm in Victoria. Brisbane and Ryan could also easily be won by the Greens, given preference flows.

This would leave the Coalition with 58 to 66 seats, before we factor in what could be the loss of four to eight Coalition seats to teal candidates in North Sydney, Wentworth, Cowper and Mackellar in NSW, Flinders, Kooyong and Goldstein in Victoria, and Curtin in Perth.

Any discussion of the preference drifts and the teals leads to this week's Newspoll from YouGov, published in *The Australian*, which predicted primary and two-party preferred votes on every federal seat.

The data looks really impressive, from the point of view of someone who's been

playing in this demographic sandpit for a while, starting 50 years ago when I found myself in the SA premier's economic intelligence unit, even though I was neither an economist nor particularly intelligent.

The state's political economy at the time was based on its history of working-class European migration, support for manufacturing, heavy expenditure on public rental housing and high levels of union membership. It was possible for me to add up all the census occupations represented by ALP-affiliated unions in a

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given seat and that, as a percentage of the workforce, was your ALP 2PP vote.

Women not in the workforce and outside this group were then called housewives, and if you assumed they voted the same way as their husbands, that was the Coalition vote.

For swinging voters, you could take the percentage of couples aged between 25 and 34 in the outer suburbs and express this as a percentage of the total roll. That, basically was your swinging-voter stereotype. Young men and women starting a career, moving

out of home, partnering with someone from a different background, over-egging their income to get a mortgage, buying a house, starting a family, losing an income and dreading interest rate rises until they could regain a second part-time income.

So the sort of demographic modelling in Newspoll, when based on elections, actually works. I used this technique to define demographic strategies for the ALP's winning 1983 campaign. We profiled every seat in every campaign since 1966 to do it.

The swinging voter stereotype has not changed much in the past 50 years and rising interest rates for young home buyers would be hurting the Liberals badly in the outer suburbs right now.

Conversely, Labor's more generous concessions for childcare would pull in votes from young women effectively limited to working three days a week due to the complex interaction of marginal tax rates and current limits to childcare concessions.

What has changed since the 1970s is that male tradies was then the biggest single occupation group, and it dominated the ALP voting profile. This ALP profile has now completely disappeared.

Our 1970s group of housewives has also disappeared, to be replaced by female professionals, who are now the largest single occupation group and are leading the demographic desertion from the Liberals in what used to be the safest Coalition seats.

From a review of the numbers by individual seats, I'm not sure this trend has been fully picked up by this week's Newspoll

seat predictions. (It certainly hasn't been picked up by Scott Morrison.)

For example, when you try to link an attitudinal survey to a demographic template, you can undertake the personal vote of candidates if the voters don't know who these candidates are.

Personal voters, by definition, don't associate a popular candidate with their party. John Alexander in Bennelong, was worth 6 per cent to the Liberal party in 2019. As he retires in 2022, the ALP base 2PP vote rises magically by 6 per cent, meaning it is now on my list of seats won for Labor.

I canvassed this problem with surveys last week, by contrasting the different results between Newspoll and Resolve Strategic, where the latter identified candidates.

For this and few other headache-inducing statistical reasons, I think the vote for the more popular teal candidates is a few per cent greater than shown in Newspoll, and even a small margin of difference can determine who gets eliminated first, and hence who wins.

And in the business of politics, winning is everything.

John Black has pioneered demographic and political profiling in Australia since the early 1970s and is a former Labor senator for Queensland. He is executive chairman of profiling company Australian Development Strategies. ADS 2022 election profiles can be found at www.elaborate.net.au/category/election-profiles/