



## A mixed bag

Tasmania's environmental credentials are well established: a unique, beautiful wilderness island retreat with world-class environmental assets, from rainforest to wild rivers, an extraordinary coastline and an increasingly attractive cool climate with four seasons.

Tasmania retains a combination of convict-inspired mystique and sentimental quaintness that appeals to many visitors and sea-change/green-change retirees and returning expats. Of those born in Tasmania, many hope to end their days there. It will always be home.

Socially and economically, the narrative of Tasmania's place in the Commonwealth of Australia and the world stage has been far more mixed and increasingly uncertain and contested.

There are multiple sites for this contest to define Tasmania's future. Tasmania's relatively poor socio-economic status across a range of indicators must be a starting point for this discussion.

Its high level of dependency on the Commonwealth for its financial wellbeing is often decried as mendicancy from a state seemingly unable to attract the levels of project investment required to either increase employment and tax revenue or a platform for the perceived necessary transformation of Tasmania from its "old economy base" to a "new economy future".

Into the disparaging mix are references to poor adult literacy and numeracy levels; disappointing retention rates for post-Year 10 schooling, a lack of skills, and lower post-secondary qualifications, particularly at tertiary level.

At the social and political level there is constant political tension. Some describe it as war where there can be no peace. On one hand, this war is fought around the extent to which "green activism" and minority government uncertainty has resulted in Tasmanians being unwilling victims of an out-of-control social experiment.

Alternatively, can a “dig it up, chop it down” reliance on a resource-based sectors such as forestry and mining be a sustainable platform for future wellbeing and prosperity?

### **Sustainable prosperity**

In between these warring factions are a lot of Tasmanians who are simply getting on with the job of innovating in forestry and manufacturing, agri-food, fish and wine, high-end tourism products, lifestyle, recreational sport and adventure businesses.

This month, in a first for a Tasmanian business, Bruny Island Cheese Co, under the leadership of cheesemaker and founder Nick Haddow, won the 2013 Telstra Australian Business of the Year award. Haddow reflected on the company’s win with some sage advice to all Tasmanians and Tasmanian enterprises: “In Tasmania, we have to play to our advantage. If you’re the best, someone is going to always want what you’ve got, but if you are mediocre there is going to be a lot of competition.

“We don’t embrace the fact that we are an island enough. It is seen as an imposition opposed to an advantage.”

Haddow’s passion for his artisan cheese, Tasmania, and his leadership of a team of dedicated professionals demonstrates that you can make it in Tasmania. Indeed, his company joins a number of high-profile Tasmanian agri-food, fish and viticulture champions.

Haddow’s observations about the need to turn comparative advantage into competitive advantage as a goal and objective of a small, subnational peripheral island economy such as Tasmania are well supported by contemporary regional development policy. The only proven policy platform for advancing sustainable prosperity and wellbeing in Tasmania is to shift to services and products that consumers want to buy, as distinct from production for the sake of production.

Contemporary regional development is a tough game in Tasmania. A recent Tasmanian Chamber of Commerce and Industry jobs forum outlined 13 steps to jobs growth:

1. tendering and procurement reform
2. planning reform
3. reducing costs to business
4. market-driven job creation
5. skilling up for the future
6. creating a business advisory group
7. cutting red and green tape
8. growing investment
9. local government and public service reform
10. flexibility in penalty rates
11. support for tourism
12. reducing Bass Strait freight costs
13. aged-care sector support.

These challenges, in turn, shape the issues, opportunities and solutions that demand considered deliberation and evidence-based policy responses. Sadly, during an election campaign this requirement is missing in action.

Instead, Tasmanians get the old kitbag of tricks and promises: the ubiquitous “special Tasmanian” package, the well-oiled pork barrel, a “build it and they will come” infrastructure bonanza, or Tasmania’s favourite, “picking winners”. They’re all getting a run in this election campaign.

### **Solutions need a reality check**

Tasmania is a tiny, isolated market where transactions costs are prohibitive. The March 2012 Electricity Supply Industry Expert Panel, for example, identified only around 180,000 households with an account with electricity provider Aurora. This is not much of a basis for a fully operating market with the capacity to support choice and competition.

Tasmania overestimates its population. It relies on Australian Bureau of Statistics population estimates that are inevitably exaggerated against Census data. The 2011 Census data, for example, suggested a population of 495,354 — well short of the June 2011 estimate of 511,200. Tasmania is probably still awaiting the 500,000th Tasmanian, even if our 2013 population claims are now beyond 512,422.

Tasmania has a median age of 40, the oldest and fastest-ageing population in Australia. The enterprise opportunities attached to ageing need to be explored with urgency.

Tasmania is closer to Antarctica than the markets of Shanghai. And Bass Strait is one of the most expensive water crossings in the world for its size.

Tasmania needs a coach who understands that the regional development game has changed; a coach with a three-point strategy: learn how to play, then how to win, and finally, expect to win. A Tasmania that expects to win — rather than receive a handout or resort to social experiment status — could take some stopping. Just ask Nick Haddow.

## Northern Territory

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The Northern Territory is, in effect, a self-governing territory of the Commonwealth. It can have its legislation overruled by the Commonwealth parliament or regulations dictated by a Commonwealth minister. Around 80% to 85% of the NT government's revenue derives from the Commonwealth, mostly as a general purpose grant (the GST disbursement), but also from federal specific purpose grants.

So, the NT's dependence on Canberra is at the core of its political economy and its medium-term future. This is the sleeper issue of the current election campaign, which neither of the major parties wants to address publicly.

### **Introducing the Northern Territory**

Australians see the Northern Territory as a place of rednecks, red sand, Uluru and Aborigines. This is an incomplete picture. The Northern Territory is a modern — if curious — economy. The major city, Darwin, even looks like a Parramatta transported to the northern coast of Australia. But urban similarities aside, the Northern Territory has a deep dependence upon the Commonwealth.

The Northern Territory has a singular demography. Aborigines constitute about 30% of its population. It also has a huge population churn of about 15% annually (among the whitefellas), as young people arrive for work or career reasons and older people leave for work or retirement.

The Northern Territory has a greater proportion of its workforce in the public sector than in any other jurisdiction — even more than in the Australian Capital Territory. This indicates the extreme dependence of the Northern Territory on the public sector and its expenditure. Government is the central economic entity and the Commonwealth the ultimate funder.

### **The economy — a boom and bust state**

The NT economy would grow relatively slowly — hampered by perpetual skilled labour shortages, high costs and long supply chains — except that it periodically booms.

In the past, when it “busts”, unwise government subsidisation of uneconomic projects has followed — as when the previous Labor NT government built a high-cost convention centre. Because of such persistent profligacy in the past, the Northern Territory has a serious public debt issue. This weakens governmental capacity because the Northern Territory raises such a

small proportion of its own revenue. It is beholden to the counter-cyclical GST revenues and Commonwealth policy program expenditures and directions.

With the government broke, activity from the resources sector will have to provide any future booms. Currently, Darwin is booming, as a giant A\$35 billion LNG plant is being built. The rest of the Northern Territory is in recession. Yet Darwin's citizens are not happy; the cost of living is high and rents are comparable to Sydney.

So, Territorians cannot decide whether to be optimistic or pessimistic about the state of the Northern Territory. They don't appreciate their current boom and they will hate the next recession in 18 months.

### **Political issues**

The driving forces of NT politics — developmentalism and dependence — have been amply displayed via the issue of gas supplies for the Gove alumina operation.

The owners of Gove have previously thrice rejected the option to pipe gas directly to the facility. Yet, six months ago the operation (now owned by Rio Tinto following its hubristic takeover of ALCAN) demanded the NT supply natural gas or the refinery would have to close down.

The then chief minister, Terry Mills, capitulated and foolishly offered ten years of gas from the Power and Water Corporation supply contract, provided the Commonwealth built a (\$500 million) pipeline from existing facilities to Nhulunbuy. This offer was despite the fact that Rio was then trying to sell its aluminium division and so the NT was merely subsidising the sale price.

Negotiations with the Commonwealth commenced. Then Adam Giles supplanted Mills and subsequently offered Pacific Aluminium half the gas of the original deal. This half-better developmentalist policy still depended on a Commonwealth-funded or indemnified pipeline.

The election intervened and both major parties have been opaque on the future for any pipeline.

### **“Urban bias” as a hidden political issue**

In the past, I have criticised successive governments for directing expenditure from general purpose funding from the Commonwealth — which was “earned” to ameliorate Aboriginal disadvantage — towards expenditure exclusively in the Greater Darwin area.

After becoming concerned about this inequity, from 2009 the Commonwealth increasingly tied its specific purpose funding. Tied grants meant the Commonwealth was forcing the NT government to make a contribution from its general purpose monies. But the problem of addressing inequity within the NT remains serious.

As the federal election campaign began, the chief minister wrote a letter to me (and presumably lots of other electors) explaining why the NT government had not signed up to the Commonwealth’s Gonski school funding proposals. At the heart of his government’s objections to the Gonski model was a (justified) fear of a loss of NT control over its education system.

But he also gave another curious reason and I quote from the letter:

The Gonski formula diverts money away from urban students in Darwin, the rural area, Palmerston, Alice Springs and Katherine and redistributes it to remote schools. I have already instructed the Education Department to begin an Indigenous education review but we don’t think the Gonski formula is fair to all Territory students.

In other words, he tacitly acknowledged that NT schools funding currently favoured urban schools over remote (Aboriginal) schools.

The NT public education system funds about 155 schools. There are 85 schools with an over-90% Aboriginal enrolment and a further 10 with an over-80% Aboriginal enrolment. Of this

95-strong cohort, only three Aboriginal schools were over-funded under the Gonski equalisation model. That is, less than 3% of Aboriginal schools are over-funded.

Yet of the 65 non-Aboriginal schools in the Northern Territory, some of which may have minority Aboriginal enrolments, 41 (or 63%) are over-funded by margins at least a factor of three greater than the over-funded Aboriginal schools. This is patently unconscionable and will attract national attention.

So, the Northern Territory must await with trepidation the new federal government. Whichever party secures office, NT developmentalism must falter and dependence wreak its price.

## Western Australia

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2 September 2013

During Tony Abbott's recent campaign visit to Western Australia, the state's premier Colin Barnett asked the federal Coalition leader if he would kick in A\$100 million to assist with the completion of a new high-tech sports stadium if elected. The premier argued the funding request was not unreasonable, citing support from Canberra for similar projects in other states.

Although Abbott was said to be "supportive", the likely future prime minister offered no firm undertaking. Abbott's reluctance to commit federal funds, while not unreasonable under the circumstances, is indicative of a historical dynamic that exists between Western Australia and its counterparts in Canberra.

In fact, features of the WA-Canberra relationship are often thrown into sharp relief during federal elections. It is reflected in the comparatively modest financial investment by both major parties to woo WA voters. It is underlined by the minimal time that prime ministerial aspirants spend campaigning in the state. And it is also reflected, thankfully, in the amount spent on paid election advertising in Western Australia.

So what are the forces in play that shape the tenor of Western Australia's relationship with whichever federal party is elected on September 7?

### **The tyranny of distance**

The first factor which affects Western Australia is its remoteness from the eastern seaboard. The state's capital, Perth, is about 3,095 kilometres from Canberra, which is only slightly greater than the distance that separates Western Australia from Jakarta (3,008 km). Western Australia's isolation from its national counterparts is amplified by the size of its land mass. At over 2.5 million square kilometres, Western Australia takes in 33% of the continent.

In practical terms, the time it takes to travel to Perth, even by plane, makes regular visits to the state a tricky proposition for the leaders of the major parties when every day of the campaign ground war counts.

But the tyranny of distance also impacts other dimensions of WA's relationship to Canberra. Over the years, there have been a number of drag-down, knock-out fights between the premier and the Commonwealth over a range of issues, such as detention centres in Western Australia's north, the mining tax, health, and education.

While it is easy to dismiss these more recent disagreements as a function of the different partisan complexion of their respective governments, it is also underpinned by a complex history. WA premiers, from both sides of the political divide,

have occasionally raged against an anti-WA bias even when federal parliament is controlled by its partisan allies.

### **So few voters, so few seats**

The second reason Western Australia sometimes slips off the federal radar is that it returns only a small contingent of MPs to the national lower house. Due to its small population, Western Australia has only 15 federal electorates, or 11% of the total. To help put this figure into perspective, the area of western Sydney alone has ten federal seats.

The small number of federal seats cannot, on its own, explain everything. In tight election contests, every seat matters. Yet there are few electoral imperatives for either party to direct more time and money into their WA campaigns.

Federal Labor has struggled in WA ever since the 1980s. It holds only three seats and one of these, Brand, may well fall to the Liberals at this election. In contrast, support for the Liberals in Western Australia has remained fairly buoyant. It seems increasingly likely that it will hold Hasluck. The Liberals may even prevail over the Nationals in the division of O'Connor.

### **The lucky state**

The third thing which has had a significant effect on Western Australia, certainly in recent times, is its growing economic clout — derived from its resource wealth. Western Australia is blessed with raw energy reserves; there are vast iron ore deposits in the ground and petroleum in its territorial waters.

As a result of sustained China-led demand for resources, Western Australia had the strongest and fastest-growing economy in the federation in 2011–12. Annual growth of gross state product (GSP) in Western Australia was 6.7%, against an Australian average of 3.1%. WA's contribution to overseas exports accounts for around 46% of the national total. Its residents enjoy the highest median weekly incomes in the nation: A\$1,644.80

compared to the median average of \$1,420.90 and the lowest rate of unemployment.

While Western Australia is certainly the lucky state, the national fixation with its success has tended to obscure the challenges that it confronts.

### **Challenges ahead for Western Australia**

While demand for WA resources remain fundamentally robust, there are concerns that this situation can change. As recently as August, the WA government was forced to revise economic growth to 2.5% in 2014–15 from an estimated 3.25% in 2013–14 and 5.75% in 2012–13.

But there are other potential threats looming. Petroleum company Woodside has announced it is considering using floating LNG platforms, a proposal which — if implemented — would cost the state both jobs and revenue.

Quite apart from uncertainties surrounding the future prospects of resource markets, the mining boom has generated various knock-on effects. It has caused Western Australia's population to swell quickly. Australian Bureau of Statistics data from 2011 shows that Western Australia is the fastest-growing state in population terms. In the 12 months between 2011 and 2012, the population grew by 3.5%, compared to national growth of 1.8%. More than 1,000 people pour into the state every month.

The surge in Western Australia's population has placed enormous strain on the state's infrastructure, causing increased demand on essential services, such as public education and hospitals.

The state is particularly sensitive to this problem because although the majority of Western Australia's 2.4 million population (78%) reside in Greater Perth, the most rapid population expansion has occurred in mining-based regional areas. This has necessitated increased spending in parts of the state that are much more costly to service due to their location.

Increases in the state's population have caused housing prices to rise higher in Western Australia than elsewhere. Preliminary estimates by the ABS indicate that the price index for established houses in the 12 months between 2012–13 was 5.1%, whereas this was 11% in Western Australia. A survey conducted by Demographia on international housing affordability showed that housing prices in resource-based markets, such as WA's Pilbara region, are among some of the most unaffordable in the nation despite an abundant supply of land.

The costs associated with the provision of new infrastructure and upgrading public services is a burden met from the state's budget.

While Western Australia generated a not-so-inconsequential \$5.8 billion in mining royalties in 2013–14, the lion's share of the state's budget remains reliant on transfers from the Commonwealth: 31% of the total.

But the state's receipt of certain types of Commonwealth transfers, namely GST revenue, has been compromised by Western Australia's economic success. The GST makes up one-third of Commonwealth transfers, and is prized by the states because unlike most other categories of transfers, it comes without spending fetters attached.

Yet, over the years, WA access to the GST pool has been in decline. In 2013, the Commonwealth Grants Commission, the statutory body responsible for calculating GST relativities, announced that WA will receive less than 45 cents in every dollar it generated from GST. The commission justified this on grounds of the strength of sustained growth in mining royalties.

The combination of falling GST revenue, underlying volatility in the resource market, and increased stress on the state budget arising from the demands of its burgeoning population is beginning to impact on WA's financial position. State treasurer Troy Buswell recently announced that WA net debt is forecast to increase from \$18.4 billion in 2013 to \$28.4 billion by 2017.

There are many challenges ahead for the golden state.

# Victoria

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3 September 2013

With a total of 37 seats, the state of Victoria should figure as a major battleground in federal elections. The reality, however, is that the second-largest state in the Commonwealth (in terms of population) tends to be bypassed in national election campaigns for the simple reason that, for all the divisions it has, Victoria has comparatively few marginal seats.

Ahead of the 2013 election, only three divisions are held with a margin of less than 1%: the Labor seats of Corangamite on 0.3%, Deakin on 0.6%, and the Liberal seat of Aston on 0.7%. Only another three seats have margins between 1% and 2%: the Labor seat of La Trobe, on 1.7%, and the Liberal divisions of Dunkley on 1.0% and Casey on 1.9%. That is a total of six seats, or 16% of the total number of Victorian seats.

Even if the benchmark for what constitutes an ultra-marginal seat is extended to 5% or less, only one other seat — the Liberal seat of McMillan on 4.2% — would come in to consideration. Few pundits consider McMillan to be winnable for Labor, however, as the polls indicate that no Liberal marginals are at risk.

## **Seats to watch**

In among this two-party contest are three other interesting battles.

The first is in the previously safe Labor division of Melbourne, currently held by the sole Greens MP Adam Bandt, who created history by winning the seat in 2010. Given that his Labor competitor Cath Bowtell polled a slightly higher primary vote, being preferred ahead of Labor on the Liberal Party how-to-vote card was the critical element to the contest that got Bandt over the line in 2010.

However, the Liberal Party has indicated that in 2013 their preferences will be directed to Labor ahead of the Greens, which makes Bandt's chance of being returned dependent on his ability to win a much larger share of the primary vote in this election. Pundit forecasts of what he would need vary between 42% to 45%, and Bandt's state-based colleagues were unable to breach the 40% mark in the 2010 state election, nor in the 2012 by-election for the state seat of Melbourne.

The contest for the seat of Mallee in the far north-western rural corner of the state is the second interesting battle. Mallee has historically been a very safe National Party seat, but the retirement of sitting National John Forrest has opened the seat to competition from both Labor and Liberal parties.

Despite the urgings of federal Liberal leader Tony Abbott for Nationals candidate and former Victorian Farmers Federation president Andrew Broad to contest this seat as the lone Coalition representative, the Victorian Liberals have nominated Chris Crewther. Labor has promised to direct preferences to the Liberal candidate, allegedly as part of a deal to secure Liberal preferences for Labor in Melbourne.

The anger of local Nationals is said to be so great that it is spilling over into nearby Indi, the third interesting contest. Indi is currently held by Liberal Sophie Mirabella, who does not have to worry about a National Party candidate, thanks to the Coalition agreement.

Mirabella's problem, however, appears to be that an independent candidate, Cathy McGowan, enjoys quite strong local support. McGowan will also be assisted by promises of preferences directed by both Labor and the Greens. Indi is shaping up as an intriguing contest.

These three seats aside, the outcome of the two-party contest in Victoria will only be significant if the overall result is close. Opinion poll data is suggesting a two-party swing against Labor of 3% to 4%, which would probably account for losing

Corangamite, Deakin and La Trobe. The swing against Labor can be partly attributed to what happened in 2010, when Labor's state-wide two-party vote of nearly 55% was an historic high.

The Senate, meanwhile, looms as a complicated battlefield. Victoria is a strong state for the Greens, and the party should secure a Senate position at this election. Labor would definitely get at least one seat, but a second seat might be difficult to secure were the Labor primary vote to fall below 29%. The Liberal-National joint ticket can be assured of winning two seats, but a third seat might be out of the question with a primary vote in the low 30s.

The sheer number of minor parties running for the Senate is the problem for the major parties here, as each has the potential to take primary vote away from the major parties. The sixth seat in Victoria looks like being a battle between the Labor Party, the Liberal Party and a right-of-centre minor party (most likely Family First).

### **Key issues**

The peculiarities of the Victorian contribution to the national contest reflect the key features of the state's human geography. Victoria is a state in which 75% of voters are in metropolitan seats. This leaves rural districts very safe for the non-Labor parties.

The metropolis, meanwhile, is a class-divided city, with partisan Labor voters clustered in the northern and western suburbs (spreading out to the provincial cities of Ballarat, Bendigo and Geelong and impacting on their voting alignments) and concentrated around Dandenong in the outer south-eastern suburbs.

These districts are also where Melbourne's light and heavy industry, food processing plants, freight transport hubs and Australia's largest shipping port are to be found. Economic policy, industry policy and industrial relations are key issues in these seats and few voters are attracted to the Liberal Party's approach.

Partisan Liberal voters meanwhile are concentrated in the affluent suburbs along the eastern banks of the Yarra River and the inner south-eastern bayside suburbs of Brighton and Sandringham. Voters in these seats would be as equally resistant to Labor's message, although it is true that this electorate can display support for socially progressive ideas.

This is the sort of Liberal electorate that might be a bit uneasy with some of Tony Abbott's reputed social conservatism. This unease is probably confined to the Liberal branches in these areas, however. Expect big swings to the Liberals in the party's electoral heartland.

Meanwhile, at the very centre of the metropolis is a Green enclave, dominated by a concentration of younger, highly educated, single, professional voters. These voters place issues such as gender equality, gay marriage rights, accommodation of asylum seekers and other such social progressive issues ahead of more economic and wealth redistribution concerns that can be found in the other districts.

Although Tony Abbott and Kevin Rudd have visited the three ultra-marginal seats, the notion that the national campaign has bypassed Victoria is as strong as it was in previous federal elections. Victoria doesn't offer the major party leaders a great deal. There are few swinging seats, and even the partisan voters can give their preferred parties and their leaders a hard time in the policy debate.

Victoria is a strident sort of place — the product, presumably, of an electorate in which 80% of the lower house seats are safe for the three main parties.

## South Australia

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4 September 2013

With just days to polling and deepening voter scepticism towards Kevin Rudd and his party, it is looking increasingly likely that Labor will face a landslide defeat, possibly of record proportions.

The betting markets predict Labor will retain six of the eleven South Australian seats, but I am not so certain. South Australian Labor candidates will not be immune from the national mood.

Over the past 40 years, voters have expelled the incumbent government only four times. But when it does happen, it tends to be unequivocal, delivering a landslide to the incoming government. In Labor's case, defeat tends to be greater than experienced when the Coalition loses office. In 1975 and 1996, for example, about one-fifth of Labor seats fell to the Coalition, with negative swings of 6.5% and 6.1% respectively. It took the party at least three elections to regain government.

It's always difficult to assess the electoral mood in any community. But subtle indicators suggest South Australian voters could be about to repeat the 1990s banishment of Labor members when, over two elections in 1993 and 1996, the party lost four seats.

Only the healthy margins built up over the last two elections stand in the way of probable defeat for sitting members in Hindmarsh (6.1%) and Adelaide (7.5%). Seats such as Wakefield (10.5%) and Makin (12%) could fall if swings against Labor MPs occupying safe seats follow the pattern of the last state election.

## Key issues

Voter concern over policy differences between the major parties typically influences decisions on polling day more than assessment of the party leaders. However, few South Australian-specific policy issues have arisen during the election campaign.

In the recent past, the politics of water, particularly around the Murray River, was the prominent South Australian policy concern at national elections. But as voters worry less about water, and how the eastern states seek to “rip off” down-river South Australia, attention has turned to government assistance to local automotive manufacturing. This is a significant local issue, but is not likely to shift votes significantly in either direction.

While Rudd promises to spend more to underpin automotive manufacturing than the Coalition, his government’s decision to remove fringe benefit tax exemptions for employer-provided or salary-sacrificed cars sent a profoundly mixed message to a state where subsidies to automotive manufacturing are expected. This will probably cost Labor votes across the state rather than in Wakefield, the seat hosting car manufacturer General Motors-Holden.

In Wakefield, many voters are expected to assess which party in government will offer more subsidies and that may lessen the swing against Labor. It is difficult to predict how big this swing will be, but it’s worth looking back to when South Australians last felt immensely disappointed about the state of their state, to assess the possibilities.

In the 1990s, South Australia earned the odium of the “rust belt” state. Declining investment in manufacturing meant that unemployment grew faster than the national average, and with no apparent substitute industry, people left the state heading east, particularly to Queensland.

This was coupled with the collapse of the State Bank in 1991. Local business confidence shattered, and voters turned on incumbent state and national Labor governments.

Confidence is once again shattered due, in large part, to BHP Billiton's decision last August to postpone the expansion of its multi-mineral ore mine, Olympic Dam. Expectation surrounding the go-ahead for the largest mine in the world had buoyed local hopes and arguably helped state Labor's re-election in 2010. By blunting this optimism, there is a sense that South Australia is, yet again, trapped alongside Tasmania as a mendicant state within the federation.

The sense of disappointment pervades politics in South Australia. This may prompt swinging voters, and even a proportion of rusted-on Labor voters, to express their frustration on polling day. Notwithstanding reservations about an Abbott-led government, many will vote for the Liberal Party in the House of Representatives, rendering greater-than-expected swings against those Labor MPs sitting on "safe" margins.

### **State Labor**

Growing disenchantment with the state Labor government led by premier Jay Weatherill may also play a part in swinging some voters away from national Labor.

A recent Royal Commission found that when Weatherill was education minister, his ministerial staff failed to report matters relating to child sex abuse in schools. Question marks over the Premier's administration of education have soiled his government, as has his refusal to dismiss his current chief of staff, who was criticised by the Royal Commissioner's findings, and conjecture surrounding possible cover-ups.

September 7 represents the first opportunity ahead of the March 2014 state election for many to vote against the Labor Party. The impact of this local dimension cannot be discounted.

### **Battlegrounds**

South Australia contributes 11 seats to the House of Representatives. In 2007, Labor took three seats from the Liberals to currently hold six.

During the Howard era, the Liberals dominated most of these seats (holding all but two or three, in different terms) and it is not too hard to see a landslide in 2013 producing something similar again.

Labor-held seats such as Hindmarsh (6.1%), Adelaide (7.5%), Makin (12.1%) and Wakefield (10.5%) could well fall, and Hindmarsh probably will. However, reportedly poor performance by Liberal candidates in Adelaide and Wakefield may save Labor from further losses.

The Senate contest in South Australia is focused on whether Greens senator Sarah Hanson-Young will be elected for a second term and on how well independent senator Nick Xenophon might poll. Xenophon's profile is high and, importantly, he rarely faces criticism in local media, which suggests he may manage a primary vote much higher than the 14% gained in 2007.

At the 2006 state election, Xenophon was returned to the upper house with a huge boost when 19% saw his running mate also elected. A year later, when running for the Senate, he almost made quota on his primary vote.

However, as a consequence of unfavourable preference allocations from most other parties, it is unlikely that Xenophon's running mate will be elected. Should he reach about 20%, a wild card result may follow, with the election of Family First candidate Bob Day at the expense of a third Liberal.

While it is difficult to predict just how many votes the plethora of minor parties will take from major parties, the most likely outcome is for Labor and Liberal to take two with Xenophon and the Greens. As in other states, the Senate race is now the most interesting dimension to this election.

# Australian Capital Territory

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5 September 2013

The Australian Capital Territory is generally regarded as a Labor stronghold. It consists of two electorates, Fraser and Canberra. A third seat, Namadji, was created in the southern end of the territory in 1996 but was abolished in 1998.

The northern ACT seat of Fraser has always been held by Labor, while Canberra was briefly held by the Liberal Party after former sports minister Ros Kelly resigned over the “whiteboard affair” (where Kelly admitted sports funding was based on group discussions around a huge whiteboard). The Liberals’ Brendan Smyth won the seat in 1995 with a 16% swing against Labor.

Smyth then contested the new seat of Namadji in 1996, but was beaten by Labor’s Annette Ellis. Meanwhile, Labor Party elder Bob McMullan moved from the Senate to the lower house, easily regaining the seat of Canberra from the Liberals.

After the electorate of Namadji was abolished before the 1998 election, McMullan took the seat of Fraser, beating Labor incumbent Steve Dargavel in preselection, and Annette Ellis moved from the defunct seat of Namadji to the vacated seat of Canberra.

Unlike the states, the Australian territories have only two senators, elected for three-year, rather than six-year terms, and take their seats immediately. The two senate seats for the ACT have always been held by Labor and Liberal, despite strong challenges in recent years from the Greens.

The demography of the ACT is unique in Australia and contributes in large part to its politics. The ACT has the highest per capita income of any Australian state or territory and the

best-educated population. It also has the highest proportion of citizens who have the right to use the title “Dr” of any Australian — or possibly world — jurisdiction.

### **Key issues**

Canberra revolves around two levels of government and three universities. The three largest employers in town are, in order, the federal government, the territory government and the Australian National University. This makes the territory highly vulnerable to political change, and cuts to the public service or higher education funding.

In 1996, the incoming Howard government slashed between 20,000 and 30,000 public service jobs. It was this purge that led to the decline in Canberra’s population and the loss of the third federal electorate.

There are very real fears that an incoming Abbott government would do the same, with a dire flow-on impact on local businesses and industry. This is the most pressing issue facing Canberrans in this election and may result in, against an expected national trend, an increase in the ALP vote in the ACT.

The two sitting members for the ACT, Andrew Leigh in Fraser and Gai Brodtmann in Canberra, have both been campaigning hard on the issue of public service jobs, as has Labor senator and minister in both the Gillard and Rudd governments, Kate Lundy.

### **Senate battle**

The ACT’s second senate seat has been held by former ACT chief minister Gary Humphries since 2003, when he was appointed following the retirement of long-time senator Margaret Reid. Humphries is regarded as a Liberal moderate and has been a strong advocate for the territory, often against his own party.

Humphries was defeated in a bitter and controversial preselection this year by former ACT Liberal leader Zed Seselja. Seselja,

having led the ACT opposition in two election defeats, surprised some by announcing his decision to oust his Liberal colleague rather than seek preselection for the lower house seat of Canberra.

In the 2012 ACT Legislative Assembly election, Seselja personally polled over 29% of the vote (1.8 quotas) in the multi-member electorate of Brindabella. His personal standing in the southern ACT region is high and could have posed a threat to Brodtmann's 9% margin in Canberra in the event of a landslide to the Coalition.

The fallout from the preselection contest has not reflected well on Seselja, however, and the Greens' lead Senate candidate, former director of the online left-leaning lobby group Get-Up! Simon Sheikh has sought to capitalise on the internal divisions.

The Greens, however, are facing strong opposition from an unexpected quarter. In the last two federal elections the Greens have run strong senate campaigns, winning .65 of a quota in 2007 and .68 of a quota in 2010. They have always believed that they have the capacity to snatch the second Senate seat in what is a politically progressive jurisdiction.

This year, however, they are under fire from a newcomer, the Animal Justice Party (AJP), which has preferred Liberal ahead of the Greens on the basis of the ACT Greens' support for the ACT government's annual kangaroo cull.

The Greens have been forced into the unfamiliar territory of running a last-minute negative campaign against a party with which they should, on the face of it, be natural allies. While the AJP will certainly not poll higher than the Greens, their preferences should ensure that Seselja takes his seat in the Senate with no real challenge.

Contrary to the popular misconception of Canberra as being a city full of politicians, the ACT is the least politically represented jurisdiction in Australia. With only two levels of government (the 17-member Legislative Assembly serves as both

local and territory-level government) two senators and two lower house members, Canberrans have far fewer elected representatives per capita than any other jurisdiction.

Due to the nature of being the national capital, however, the ACT population is politically aware and engaged, and any decisions taken at national level do, inevitably, have an effect on the local population. For this reason, it is expected that both Leigh and Brodtmann will hold their seats easily, Lundy will be returned to the Senate and Seselja elected to replace Humphries.

## Queensland

Clive Bean

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6 September 2013

With more marginal seats than any state other than New South Wales — and easily the largest number of vulnerable opposition seats — the role of Queensland in the federal election of 2013 is pivotal.

The federal government is in the ironic position of needing to make a net gain in seats in order to retain power. And with losses seemingly inevitable in a number of other states, the Australian Labor Party (ALP) must win seats from the Liberal-National Party (LNP) in Queensland to have any chance of winning the election on September 7.

Being in a pivotal position in a federal election is not new to Queensland. When the ALP took government from the Coalition in 2007, it made large gains in Queensland. In the swing away from the government in 2010, Labor suffered large losses in the state.

One reason why the electoral pendulum swings back and forth from one party to the other is to do with the state's demography and political geography. Queensland's population is not only

growing, it is also more dispersed than in other mainland Australian states. As a result, the state has a disproportionate number of marginal seats and significant numbers of seats change hands when support swings from one major party to the other.

### **Key issues**

The issues in Queensland in this election are similar to those that dominate throughout Australia: economic management, taxation and spending policies, education and health care, handling of asylum seekers arriving by boat.

In Queensland, perhaps more than in some states, support for regional areas continues to be an electoral issue, consistent with the state's more broadly distributed population. This is one reason why political parties such as Katter's Australian Party and the Palmer United Party are more optimistic about their chances of success in this state than some others.

Another factor that has contributed to the tone of debate in Queensland is the role of the dominant LNP state government, led by Campbell Newman, which cut some 14,000 state public service positions early in its term in 2012.

The ALP has consequently drawn parallels between the state government and the prospective federal coalition government. It has argued that a government led by Tony Abbott would inflict cuts and reduce government services on an even greater scale than the Newman state government. This is epitomised in the campaign slogan: "If Tony Abbott wins you lose".

The LNP, on the other hand, has attempted to turn the apparent boost for Labor after Kevin Rudd's reinstatement as prime minister on its head by talking of the "old" Rudd, painting a picture of an indecisive, arrogant, bad-tempered, self-serving and insincere politician.

### **Federal leadership**

The government seems to have moved through three phases in recent months, which greatly impact on Queensland.

Before Julia Gillard was removed as prime minister, the party's prospects appeared very bleak indeed, with a distinct possibility that Labor might lose almost all of the eight seats it currently holds in Queensland, having already suffered a severe reversal at the 2010 federal election.

When Rudd was reinstated as the Labor leader, a surge of optimism in ALP ranks saw talk of not only holding all of the government's Queensland seats, but the possibility of taking five or six from the LNP as well. On this basis, Labor suddenly seemed to have realistic prospects of retaining government at the election.

From around the time the election was called, however, the party entered a third phase. As the electorate started to focus more clearly on prospects for the election and opinion polls showed a decline in the post-Rudd surge, it became apparent that the most realistic outlook lay somewhere in between phases one and two. On this scenario, the ALP will have to battle hard to hold all its own seats and will have an equally tough job to win any from the LNP. At its extreme, the third phase involves the possibility that Kevin Rudd could lose his own seat, with two opinion polls about a fortnight out from polling day giving his LNP opponent, former Australian Medical Association president Bill Glasson, a lead in the two-party preferred vote.

While it may seem unlikely that Rudd will lose his seat in the end, these polls certainly remind us that it is not inconceivable. It happened to John Howard in 2007, albeit defending a much smaller margin, and the party leader is always vulnerable to claims they are neglecting their own constituents as they campaign across the country on behalf of their party at large.

It would, nonetheless, be one of the great ironies of modern Australian politics if Rudd's resumption of the leadership assisted some of his detractors in the party (such as Wayne Swan in the electorate of Lilley) to hold on to their seats while Rudd himself bore the brunt of dissatisfaction with a government he was not directly part of for a decent proportion of its term and was voted out.

## Key battlegrounds

Among the seats particularly at risk for the ALP are several electoral divisions in and around Brisbane, including Moreton, Petrie, Lilley and Blair, plus the regional seat of Capricornia, based around Rockhampton in central Queensland. All of these seats are held by margins of less than 5%, while Rankin and Oxley (both with margins between 5% and 6%) can also not be counted as safe.

Rudd's seat of Griffith, with a margin of 8.5%, was considered the only sure bet for Labor to retain — until the emergence of the aforementioned polls.

Moreton and Petrie appear particularly difficult for Labor to hold, while the retirement of the long-serving member in Capricornia (a seat Labor would normally expect to keep) makes its retention more challenging.

It is difficult to judge whether Swan's high profile as the erstwhile treasurer will help him stem the tide in Lilley or whether his close association with a government revered by few will further harm his cause.

The most vulnerable LNP-held seats are central-city Brisbane, Forde to the south of Brisbane and Longman to the north. All three are on margins of less than 2%, while Herbert, Dawson and Bonner are held by margins of between 2% and 3%.

To great fanfare, Labor brought former state premier Peter Beattien in to contest Forde at the last minute, but there is little indication that this strategy has turned the seat into an easy gain for the party.

Finally, what seems clear now is that despite the apparent rise in Labor's prospects when Rudd first resumed the prime ministership, the most likely result of the switch from Gillard to Rudd is not that the government will be saved from defeat in the election on September 7. Rather, it's likely to suffer a lighter blow than it would have sustained under Gillard's leadership.

# New South Wales

Mark Rolfe  
6 September 2013

Sydney is Australia's most multicultural city. Almost two-thirds of residents (61%) have at least one parent who were born overseas, compared with the national average of 46%. In the country New South Wales town of Wagga Wagga, this figure is as low as 18%.

This is an obvious contrast between Sydney and Wagga, but the state capital and the bush also have some things in common. With Wagga's military bases, tourism, government administration and university, the regional centre is thriving fairly well — as are parts of Sydney — with unemployment levels, family and household incomes around or better than state levels.

These similarities and differences complicate any assessment of political issues that simply align political flavour along a regional–Sydney divide.

## Sydney

Sydney became the financial and corporate headquarters of the country in the mid-1980s and has since remained a global city. In 2009, 83 of the top 200 firms had their headquarters in Sydney while Melbourne had only 42.

By 2012, Sydney was home to 80% of all foreign and domestic banks, through which much of the nation's A\$1.555 trillion of super funds flowed. That figure makes our country number four on the list of pension pools in the world.

Sydney also boasts:

- 81% of the Asia Pacific's finance and insurance sector regional offices
- 76% of all information and communication technology regional headquarters

- 75% of headquarters of multinational pharmaceutical companies in Australia.

Sydney generates a quarter of the nation's GDP, while mining generates only 10%, although popular opinion would have those figures reversed.

That's a big gravy train to fill lots of bellies, but this doesn't mean all of Sydney is doing well. The higher-income, higher-skilled, university-educated "knowledge workers" in the producer services, such as finance, law, accounting, banking, tend to live in the north shore, eastern suburbs and inner west.

### **Outer west, Wollongong and Newcastle**

For those in the south-west and western suburbs of Sydney, where manufacturing is concentrated, it's a different story — and one shared with the likes of Wollongong. These areas constitute around a third of the nation's total manufacturing sector, and have suffered their share of more than 100,000 recent job losses.

For the first time in Illawarra's history, manufacturing is not the biggest employer and has dropped below 10% of the population, to be surpassed by health, education, social assistance and retail.

A similar story unfolded in Newcastle, although it has the advantage of having the largest international coal export port in the world.

As you would expect, these areas are Labor-held, to varying degrees. The south coast seats Cunningham and Throsby, Newcastle, and in Sydney Watson (Belmore, Lakemba areas), Fowler (Cabramatta to Liverpool) and Werriwa are safe, but Banks is not. Bob Katter, from Queensland, sees an opportunity here for his populist message of protecting manufacturing.

These Sydney seats are among the more multicultural sections of the city due to the successive waves of migrants who have entered the factories over the decades. They have high unemployment rates. However, opposition leader Tony Abbott is

hoping to attract the socially conservative types here and elsewhere in western Sydney with his stance on same-sex marriage, favouring a conservative version of multiculturalism. Unlike the 2010 election, neither party has mentioned limiting migration, in order to avoid alienating these voters.

### **Central coast**

North of Sydney to the border is decidedly less multicultural. The rising population of the Central Coast is covered by the marginal seats of Dobell and Robertson, with 22% born overseas and 35% with at least one parent born overseas. This area is helping to complete a megalopolis from Newcastle to Wollongong, and its sprawling suburbs offer more affordable housing for those seeking a better lifestyle.

The proportion of the population employed as professionals is 5% below the national average, with the proportion of managers 2% below the national figure. Meanwhile, the proportion of those employed in trades and as technical workers is 2% above the national average. On the whole, the Central Coast is not affluent, with below-average household incomes and university education 5% below average.

It is also a retirement area. The proportion of the population in the over-60s cohort is above the national average — by well over 1% in Robertson. The proportion of 20- to 30-year-olds in both seats is up to 2% below the national average. In other words, many kids move to the big smoke to study or get jobs.

The area has a narrow economy, based largely on tourism, consumer services (such as retail) and some producer services (including law, accounting). Unemployment — 6.2% to 7.1% — is above the national average of 5.6%.

Many people endure a one-and-a-half to two-hour journey to work in Sydney, either on an old two-track railway or the M1 freeway. As you might imagine, infrastructure and public transport, along with health and education services, are major issues.

In addition, infamous independent Craig Thomson, as well as the Labor and Green candidates, have opposed a coal mine in the area.

### **North coast**

Issues such as narrow economies, mining demographic imbalances, lifestyle, infrastructure, housing and unemployment continue or worsen as you go further north to the border.

Of particular note is the Pacific Highway, which winds its way through all the successive coastal seats. The roadway's name is a joke because it's a dual carriageway, but its effects have been deadly, with many fatalities since 1990. No wonder it is at the centre of disputes between the federal and state governments over some \$7 billion in funding required to finish the project. Various minor party candidates have also weighed in.

Along the way, you zip in and out of patchwork local economies. Coffs Harbour and Port Macquarie stand out as administrative or tourist centres to some poorer hinterlands behind.

In the federal seats of Lyne (Rob Oakeshott), Page, Cowper and Richmond, unemployment rates are around 8–9%. Around Coffs itself, the average is 10.1% and as many as 18.4% of households are paying more than 30% of their income on rent.

Such figures would be worse if some of the 20- to 30-year-olds had not fled, most likely to Sydney or Queensland. The proportion of this age bracket living on the North Coast is 2% below national average. Like the Central Coast, the north coast economies up to the Tweed River have benefited from retirees or tree-changers from Sydney who worry about services.

It is no wonder, then, that the National Party and the state Coalition government under Barry O'Farrell would like to promote industries and decentralise populations from Sydney to stop the drift of population, to build voting constituencies and to diversify local economies. Nationals leader Warren Truss

announced last week a fund for impoverished regions, but the \$1 billion covers 10 years and all of Australia.

The state government wants to develop coal seam gas mining (CSG) across the state as it sees benefits in tens of thousands of jobs and millions of dollars in community projects. However, across the state, as well as in Sydney, local populations are up in arms over the environmental consequences of CSG extraction.

After a recent court verdict against Rio Tinto over a Hunter Valley development, the state government has proposed changes to planning laws to make the economic development of mining the principal consideration. Consequently, the NSW Farmers' Federation is antagonistic to such mining trumping agriculture, although it does see benefit in carbon farming as a means to rejuvenate the west of the state, where population and services are declining.

On the north coast, the CSG issue is yet another headache for the Nationals. It joins farmers to the ex-Sydney tree-changers who have helped transform the area from the Country/National control of the past.

Richmond was, for many decades, held by the Anthony family, but now its federal Labor member has joined the Labor member for next door Page in a stand against CSG mining. The Nationals candidate has promised not to be bound by his party on the issue.

Both major parties have approached these complexities with piecemeal policies in constrained circumstances. Neither has an industry policy. Both promise to spend some money on infrastructure and both have resorted to making policy on the run about foreign purchase of land.

## State of the states post-election: Experts respond

Clive Bean, Nick Economou, Mark Rolfe,  
Rolf Gerritsen, Narelle Miragliotta, Haydon Manning,  
Robin Tennant-Wood, and Tony McCall  
8 September 2013

*With the result decided (albeit some details still to be ironed out), the experts look at how the predictions matched the results.*

### Queensland

As predicted, Queensland has played a pivotal role in the 2013 federal election, but in a rather different way than anticipated. Queensland's role has been to help restrict the scale of the Coalition's victory, which while decisive and comfortable by any standards, has fallen short of the crushing magnitude that appeared likely.

Rather than losing upwards of four or five seats, the Australian Labor Party (ALP) appears to have retained all but two of the eight seats it held in Queensland before the election. Even the two it may have lost — Capricornia, in central Queensland, and Petrie in the northern suburbs of Brisbane — remain in the balance at this stage; in particular, Capricornia.

Incredibly, Labor has retained its most marginal Queensland seat, Moreton, with a small swing in its favour.

One factor that probably helped reduce the movement away from the ALP in Queensland was that the Liberal-National Party (LNP) already had a 55–45% two-party preferred margin in the state, following the strong swing away from the Labor government at the 2010 federal election.

What the ALP was unable to do, however, was to make inroads into any LNP-held seats, including the marginal seat of

Forde — contested by former state premier Peter Beattie — which recorded a small swing away from Labor.

Perhaps the most interesting result in Queensland is the strong prospect that Clive Palmer will take the northern Sunshine Coast seat of Fairfax from the LNP. Former rugby league player Glenn Lazarus also appears to have won Queensland's sixth Senate seat for the Palmer United Party.

## Victoria

Victoria has made its contribution to the change of national government, but as has been the case in a series of elections since 1993, the number of seats changing hands was not great and the party that won a majority of the two-party vote did not win a majority of seats.

At 49.4%, the state-wide two-party vote swung to the Coalition by a substantial 5.8%. Only three seats — La Trobe, Corangamite and Deakin — changed from Labor to Coalition, with a fourth, McEwen, too close to call. Labor has won 19 seats, the Coalition 16 and the Greens one. Labor's primary vote of 35.3 was 7.5% less than 2010, and the Greens' statewide primary fell by 2.1%.

In Melbourne, however, the Greens' Adam Bandt polled nearly 44% and held his seat. In Mallee, the Nationals' Andrew Broad withstood a challenge from the Liberals, while in Indi, Liberal Sophie Mirabella and independent Cath McGowan await the arrival of postal votes.

In the Senate, Labor has won two seats, and the Coalition has secured two seats and is likely to win a third. The Greens will receive Labor surplus and should secure the sixth seat.

## New South Wales

Labor got the thumping we expected but the projected Coalition blitzkrieg in New South Wales did not eventuate — although it is in a strong position with 47% of first preferences.

Labor's primary vote was at an historic low, with a national swing of 4.1%. In NSW the swing was below average, at 2.3%. So a swathe of traditional Labor seats across western, inner west and southwest Sydney were saved. Reid went Liberal but among these other seats there was a variation, from large swings to Labor (such as Fowler 9.5%) to large swings against it (Barton 7.54%).

In Abbott's home state, the swing in first preferences did not immediately travel to the Liberals, which only got 0.2%. The infamous Jaymes Diaz failed in Greenway, much to Abbott's chagrin. But comments by Fiona Scott (50,000 boat people cause traffic jams in western Sydney) and about her "sex appeal" obviously didn't hurt her in Lindsay, which has become more of a national bellwether seat for commentators, along with the Central Coast.

The National Party successfully raised its primary vote by 2.44% to over 10%. The Nats have taken one seat from Labor so far (Page); the other two wins were merely returning to the fold from the independents (held by Windsor and Oakeshott). They didn't get Richmond on the north coast where many ex-Sydney people reside. In other words, the Nats did well but reached the regional and demographic limits that are their perpetual problems.

As elsewhere in the country, the Green primary vote went backwards in the house, although not as badly as some states, especially Tasmania. They were not the beneficiaries of the dissatisfaction that some felt with the majors, such as the Palmer United Party with 4.26%.

Overall, then, neither major party can take things for granted, as the result somewhat reflects the dissatisfaction of many voters with the choice presented to them.

### **Northern Territory**

The Northern Territory has only two seats, Solomon (covering Darwin and Palmerston) and Lingiari.

Labor had an excellent candidate in Solomon and campaigned on price hikes for electricity and the cost of living, both essentially territory government issues. Nonetheless, the Country Liberal Party's Natasha Griggs looks set to narrowly retain the seat against a swing of less than 1%.

I wrote last week that Lingiari would be close. As predicted, a swing to Abbott occurred in the conservative heartlands of Alice, Katherine and the Darwin rural area. Yet Labor's Warren Snowden survived by resuscitating Labor's Aboriginal vote in the bush.

The Country Liberal Party (CLP) candidate for Lingiari, Tina MacFarlane, was a neophyte and damagingly dodged debating the old warhorse, Snowden, on the ABC. But it was Snowden's campaign against the CLP Territory government in the bush that proved decisive. He will survive despite a swing of about 2.1% to the Country Liberals.

The Senate vote saw the usual voting pattern: one CLP and one Labor. Nova Peris (Gillard's "captain's pick") polled just short of the usual Labor vote, so there was little backlash to her preselection.

Two features of the election in the NT deserve mention. The first is the collapse (by nearly half) of the Green vote. These voters may have previously been disillusioned with Labor and switched back to stop Abbott.

The Australian First Nations Political Party vote was also very low (less than 4%), which illustrated the difficulties new parties have as against the (publicly funded) incumbents. It may also reveal strategic voting by Aboriginal voters, who for the third time since the 2010 federal election have revealed that their loyalties are instrumental and have to be won.

## **Western Australia**

There was only minimal alteration to the political ownership of Western Australia's 15 lower house seats.

Labor retained Brand, Fremantle and Perth, thereby avoiding complete electoral ruin in the west. The three returning ALP candidates even managed to buck the statewide trend to post a marginal increase in their respective primary (but not their two-party preferred) vote.

The Liberals comfortably held all 11 of their existing seats, and appear to have wrested the seat of O'Connor from the Nationals. In doing so, the Liberals have increased their contingent of WA lower house MPs to 12. They are also on track to claim three of the six Senate positions on offer.

From among WA's ranks of returning federal parliamentarians will be one minister (Julie Bishop) and potentially two or three others (Christian Porter, Michael Keenan and senator Mathias Cormann).

While the seat outcomes paint a picture of seeming continuity in Western Australia, the aggregate statewide result reveals that support for the Liberals continues to grow and that disenchantment with federal Labor continues to harden. While the WA Liberals recorded the highest first preference vote of any state Liberal party at this election (just under 48%), Labor's primary vote (29.12%) hit its lowest level in recorded history.

Western Australia is the Liberals' most emphatic heartland state, and Labor's most recalcitrant.

## **South Australia**

Water politics occupies a large part of political life in South Australia and was mostly absent from election 2013. But late in the campaign, the Coalition announced a cost-saving measure to slow the rate of Commonwealth water license buybacks. Unsurprisingly, this hit the headlines, with Labor premier Jay Weatherill warning of the neglect an Abbott government would bestow upon South Australia.

While the Liberals' win in Hindmarsh was built on a solid local campaign with a quality candidate, Labor's Kate Ellis survived in Adelaide due largely to the Liberals' poor candidate choice.

The collapse of the Labor Senate vote was unprecedented and overshadows any solace that the lower house vote (a 4.5% swing against) was not as bad as many expected. With a paltry 22% support, Labor looks set to elect only one senator, Penny Wong. The tenure of one of Labor's factional warlords, senator Don Farrell, appears terminated due to the remarkable vote independent senator Nick Xenophon managed to secure.

With 25%, Xenophon would be pleased, but one cannot help ponder what may have transpired had he struck a more favourable preference deal with the Greens. With few beneficial preferences flowing to Xenophon's running mate, it's likely that a wildcard win by Family First will transpire, despite Family First's primary vote declining.

### **Australian Capital Territory**

The two ACT electorates of Canberra and Fraser, as expected, returned their ALP members, Gai Brodtmann and Andrew Leigh respectively, with almost unchanged margins. With a margin of 14.2%, Leigh now has one of the safest Labor seats in the country.

It was in the Senate that the real action occurred. The fallout from the Liberals' preselection — which saw Zed Seselja oust former senator Gary Humphries — did not reflect well on Seselja. Many Canberrans saw Humphries as a good representative of the Territory rather than a representative of his party.

Seselja, on the other hand, is seen to be a party man who will toe Abbott's line rather than necessarily advocate for the ACT. This factor may well have been a large contributor to the vote for parties such as Palmer United, Katter's Australian and the Sex Party.

The election result will be met with some caution in the ACT. With public service jobs and university funding on the line there will be a degree of nervousness until the dust settles and the new government's priorities are made clear. The prime minister-elect has already made it known he intends to cut funding for research in some areas. He has also vowed to prune the public

service, although there is no indication of which departments will be affected or how many jobs are likely to be lost.

The flow-on from public service cuts will affect the private sector in the ACT and surrounding regions. It was partly this potential loss of Canberra business that resulted in a stronger ALP vote in neighbouring Eden-Monaro than could have been expected. While the result in Eden-Monaro is still uncertain, it remains that a lot of businesses in Queanbeyan and along the coastal strip south from Batemans Bay rely on jobs and income from the ACT.

## Tasmania

Tasmanian voters, deeply dissatisfied with minority governments in Canberra and Hobart, grabbed their baseball bats and savaged Labor and the Greens at the federal election.

Labor's vote fell across Tasmania by 8.8%, compared to the national swing against Labor of 4.1%. The Greens vote fell by 8.7% compared to the national swing against the party of 3.3%.

Labor will lose three seats: Bass, Braddon and Lyons. The result in Lyons is symptomatic of Labor's voting collapse. Dick Adams, a 20-year incumbent since 1993, held a massive 12.3% margin but was beaten by Eric Hutchinson, the Liberal candidate who had unsuccessfully challenged Adams in 2010.

Only Labor's Julie Collins (Franklin) might comprehend the significance for the Labor faithful of Kevin Rudd's "concession speech" where he claimed "victory" from the jaws of an historic defeat. Collins held Franklin by limiting the negative swing to 2.6%.

Andrew Wilkie increased his margin in Denison, where the Green vote collapsed to 7.9%.

The Palmer United Party (PUP) attracted a significant first-up vote in Tasmania: 6.3% in the House of Representatives. The PUP is in a contest to win the sixth Senate seat at the expense of a Liberal hopeful, or a Labor or Green incumbent senator.