REVIEW OF LABOR'S 2019 FEDERAL ELECTION CAMPAIGN

CHAIRED BY
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CONTENTS

LIST OF TABLES

LIST OF CHARTS

INTRODUCTION

On Saturday, 18 May 2019, the Australian Labor Party asked the Australian people to put their trust in it to govern the country. They chose not to do so.

OUR FINDINGS AND RECOMMENDATIONS

What happened?

At 1.20pm on Wednesday 15 May, more than two days before the 2019 federal election, Sportsbet tweeted it had paid out punters who backed Labor to win. "Punters rarely get it wrong", the Sportsbet tweet continued. The next day Sportsbet declared the federal election "run and won, backing Labor into Winx-like odds of $1.16". That's an 86 per cent probability of a Labor victory.

After a patchy early career, Winx never lost a Saturday race. But Labor did. In fact, Labor has failed to win a majority in the House of Representatives in eight out of its last nine starts. What went wrong this time? Was Labor burdened with the weight of Clive Palmer's advertising in its saddlebags? Was it nobbled by a dishonest social media scare campaign? Did News Corp cause Labor interference in running? Was it the jockey's fault? Or had Labor become complacent in the lead-up to race day?

Our review seeks to answer these questions.

Our approach to the review

The National Executive's resolution establishing this review expects any recommendations to be directed to the success of the ALP at the next federal election. We consider it our responsibility to meet this expectation even if our analysis, conclusions and recommendations may not be welcomed by some Labor MPs, officials and supporters. Labor must be willing to face up to the reasons for its 2019 election loss and respond accordingly.

The terms of reference for the review do not require that we express a view about the merits of any particular policy or whether it should be retained. We do, however, evaluate the electoral effects of the policies, including their cumulative impact, and make some

observations about the policy formulation process. We also make recommendations about legislation concerning electoral matters.

Obviously, our review has had the benefit of hindsight. But we have attempted as far as possible to put ourselves in the shoes of the key players, at the time decisions were being made, and in the light of what was known at the time.

The National Executive intended that the review be wide ranging with a broad group of people to be consulted, appointing a panel to assist us. We have been greatly assisted in the preparation of the report by panel members Linda White, Senator Anthony Chisholm, John Graham MLC and Lenda Oshalem and we thank them for their excellent work. We also thank Paul Erickson, Alex Manning and the staff of the ALP National Secretariat for their highly professional support.

The review team has travelled to every state and territory and has had the benefit of published commentary and expert opinion and reports in the fields of demographics, statistics, social media and psephology.

We were conscious of the need for the review to respond to the massive disappointment felt by MPs, candidates, Party members and supporters. We have held face-to-face or telephone interviews with more than 120 individuals, including MPs, former MPs and candidates, and have addressed numerous Party forums in every state and territory. A call for submissions yielded more than 800 from ALP members and affiliates as well as members of the general public.

The review makes a set of 60 findings and 26 recommendations, with the findings providing the basis of our recommendations. The review has been written in a way that would facilitate its full public disclosure if the National Executive so chooses; there is no confidential section.

We thank members of the National Executive for the confidence they have shown in us by asking us to undertake this review. We commend the review to the National Executive for its consideration.

In 500 words

Labor lost the election because of a weak strategy that could not adapt to the change in Liberal leadership, a cluttered policy agenda that looked risky and an unpopular leader. No one of these shortcomings was decisive but in combination they explain the result. Indeed, Bill Shorten led a united Party, saw off two Liberal prime ministers and won all three campaign debates.

Labor's tax policies did not cost the Party the election. But the size and complexity of

Labor's spending announcements, totalling more than $100 billion, drove its tax policies and exposed Labor to a Coalition attack that fuelled anxieties among insecure, low-income couples in outer-urban and regional Australia that Labor would crash the economy and risk their jobs.

The Labor Party has been increasingly mobilised to address the political grievances of a vast and disparate constituency. Working people experiencing economic dislocation caused by technological change will lose faith in Labor if they do not believe the Party is responding to their needs, instead being preoccupied with issues not concerning them or that are actively against their interests. A grievance-based approach can create a culture of moving from one issue to the next, formulating myriad policies in response to a broad range of concerns. Care needs to be taken to avoid Labor becoming a grievance-based organisation.

Low-income workers swung against Labor. Labor's ambiguous language on Adani, combined with some anti-coal rhetoric, devastated its support in the coal mining communities of regional Queensland and the Hunter Valley.

On the whole, people of faith did not desert Labor, but Labor lost some support among Christian voters – particularly devout, first-generation migrant Christians. Other religious denominations did not swing decisively one way or the other.

Higher-income urban Australians concerned about climate change swung to Labor, despite the effect Labor's tax policies on negative gearing and franking credits might have had on them.

There is no compelling evidence the election loss was an adverse reflection on Labor's core values: improving the job opportunities, security and conditions of working Australians, fairness, non-discrimination on the basis of race, religion and gender, and care for the environment.

Labor should retain these values. Its policies can be bold but should form part of a coherent Labor story, be limited in number and be easily explainable, making them less capable of misrepresentation.

Labor should position itself as a party of economic growth and job creation. Labor should adopt the language of inclusion, recognising the contribution of small and large businesses to economic prosperity, and abandon derogatory references to "the big end of town". Labor's policy formulation should be guided by the national interest, avoiding any perception of capture by special interest groups.

A modern Labor Party cannot neglect human-induced climate change. To do so would be environmentally irresponsible and a clear electoral liability. Labor needs to increase public awareness of the costs of inaction on climate change, respect the role of workers in fossil-fuel industries and support job opportunities in emissions-reducing industries while taking the pressure off electricity prices.

Findings

Chapter 1: Why did Labor lose?

Finding 1*:* Labor did not settle on a persuasive strategy for winning the election.

Finding 2: No formal campaign committee was established, creating no forum for formulating an effective strategy or for receiving reports evaluating progress against the strategy.

Finding 3: Labor did not craft a simple narrative that unified its many policies.

Finding 4: Labor's campaign lacked a culture and structure that encouraged dialogue and challenge, which led to the dismissal of warnings from within the Party about the campaign's direction.

Finding 5: Labor failed to campaign sufficiently and consistently on reasons to vote against the Coalition.

Finding 6: Labor targeted too many seats, such that resources were spread too thinly and the campaign's impact was diluted.

Finding 7: Labor's election campaign did not adapt to the new Liberal leader and his reframing of the election as a choice between himself and Bill Shorten.

Finding 8: Bill Shorten's unpopularity contributed to the election loss.

Chapter 2: Context of the campaign

Finding 9: Voter trust in politics globally and in Australia has collapsed, resulting in economically insecure, lower-income voters treating all political promises with extreme scepticism while being highly receptive to negative campaigns.

Finding 10: The election was conducted in a political climate shaped by rising perceptions of risk at the international and national levels, which demanded reassurance.

Finding 11: Labor's period in opposition from 2013 to 2019 was characterised by stability, as a result of the collective decision of the federal caucus to prioritise unity.

Finding 12: Labor's decision to pursue new tax measures was heavily influenced by a desire to cover the cost of large, new spending policies and deliver a better budget bottom line than the Government.

Finding 13: Labor's policy formulation process lacked coherence and was driven by multiple demands rather than by a compelling story of why Labor should be elected to government.

Chapter 3: The run-up

Finding 14: There were high expectations of a Labor victory at the 2019 election based on published opinion polls, betting agencies, the Party's performance at the 2016 federal election and in key by-elections.

Finding 15: High expectations of a Labor victory caused Labor to assume it had a stronger campaign machine and better digital capacity than the Coalition, which proved to be incorrect.

Finding 16: High expectations of a Labor victory led to little consideration being given to querying Labor's strategy and policy agenda.

Finding 17: Based on high expectations of a Labor victory, progressive groups "banked the win", campaigning to influence Labor's agenda in government rather than campaigning for victory.

Finding 18: High expectations of a Labor victory and a desire to secure a mandate for Labor's program in government influenced Labor's decision to announce a bold, expansive and highly detailed policy agenda comprising more than 250 costed policies.

Finding 19: Labor's policies on negative gearing and franking credits were used with other revenue measures to fund large, new spending initiatives, exposing Labor to a Coalition attack that these spending measures would risk the Budget, the economy and the jobs of economically insecure, low-income workers.

Finding 20: Labor had no clear voter-choice message.

Finding 21: The change in Liberal leadership was a fundamental shift in the strategic environment, demanding careful analysis and consideration through a formal process, but this did not occur.

Finding 22: Labor's campaign failed to capitalise on Coalition disunity.

Chapter 4: Big campaign moments

Finding 23: Despite some early slips, Labor leader Bill Shorten performed solidly during the campaign, including bettering his rival in three debates.

Finding 24: The almost-daily announcements of new spending policies left little room for campaigning against the Coalition.

Finding 25: Labor's constant flow of new spending announcements during the campaign became counterproductive, as they competed against each other and added to perceptions of a risky program.

Chapter 5: Whose votes shifted?

Finding 26: Queensland swung strongly against Labor while Victoria swung to Labor.

Finding 27: Labor won only 20 per cent of seats in Queensland in the 2019 election and it has proven very difficult for Labor to win a federal election without performing better in Queensland.

Finding 28: Outer-metropolitan, provincial and rural Australia swung against Labor while inner-metropolitan areas swung to Labor.

Finding 29: Economically insecure, low-income voters in outer-urban and regional Australia swung against Labor.

Finding 30: Some groups of self-declared Christians swung against Labor.

Finding 31: Chinese Australian voters swung against Labor in strongly contested seats.

Finding 32: Tertiary-educated, higher-income Australians swung strongly to Labor.

Finding 33: The growing gap between Labor's primary vote share in the House and the Senate is causing fewer Labor Senators to be elected, which makes it easier for the Coalition to pass regressive legislation. This gap is greatest in relatively safe Labor-held electorates.

Chapter 6: Explaining the swings

Finding 34: The sheer size, complexity and frequency of Labor's policy announcements had the effect of crowding each other out in media coverage and made it difficult for local campaigns to communicate them to their voters.

Finding 35: The almost-daily campaign announcements of new, multi-billion-dollar policy initiatives raised anxieties among economically insecure, low-income voters that Labor's expensive policy agenda would crash the economy and risk their jobs.

Finding 36: Labor did not craft and convey a persuasive jobs and economic growth story that augmented its mission to reduce inequality.

Finding 37: Labor's climate change policy won the Party votes among young and affluent older voters in urban areas.

Finding 38: Labor's ambiguous language on Adani, combined with some anti-coal rhetoric and the Coalition's campaign associating Labor with the Greens in voters' minds, devastated its support in the coal mining communities of regional Queensland and the Hunter Valley.

Finding 39: Voters most likely to be affected by Labor's franking credit policy swung to Labor. Economically insecure, low-income voters who were not directly affected by Labor's tax policies swung strongly against Labor in response to fears about the effect of Labor's expensive agenda on the economy, fuelled by the Coalition and its allies.

Finding 40: The large size and targeted nature of Clive Palmer's campaign had a significant negative effect on Bill Shorten's popularity and on Labor's primary vote.

Finding 41: The preferences from Pauline Hanson's One Nation Party assisted the Coalition in winning the Queensland marginal seat of Longman and the Tasmanian marginal seat of Braddon.

Chapter 7: Labor's research program

Finding 42: Labor brought an extensive research program to the 2019 campaign that had performed well in by-elections and introduced innovative techniques into political campaigns.

Finding 43: The constant pressure to be ready for a potential early election caused the research program to focus overly on estimating electorate-level outcomes and testing advertising.

Finding 44: Labor did not use its research program to develop a set of strategic principles to guide the 2019 campaign. Some major strategy decisions were made without reference to research, which left research to focus on the tactical implementation of decisions already taken.

Finding 45: An industry-wide failure resulted in polling consistently overestimating the Labor vote and underestimating Coalition support. Labor struggled to process internal research that ran counter to its expected win.

Finding 46: The multiple research methods were not subjected to robust debate that could have resolved inconsistencies among them.

Finding 47: The campaign track was persistently less optimistic than the published polling, but inaccuracies in the overall research program led Labor to believe it was slightly ahead when it was, in fact, behind.

Finding 48: Notwithstanding these inaccuracies, there were clear warning signs about Labor's problems, with the research correctly identifying critical campaign weaknesses that were successfully exploited by the Coalition.

Chapter 8: Labor's advertising and digital campaign

Finding 49: Labor's advertising program was not informed by a clear strategy.

Finding 50: The magnitude of Clive Palmer's expenditure crowded out Labor's advertising in broadcast, print and digital media.

Finding 51: Labor's digital campaign in 2016 was superior to the Coalition's but by 2019 it was inferior to the Coalition's and that of its allies.

Finding 52: Despite a substantial increase in the digital advertising budget, Labor's digital capacity went backwards.

Finding 53: Labor's digital team was not empowered to lead the functions they were allocated. Instead, digital was seen as a means to amplify the content, priorities and activities of other parts of the campaign.

Finding 54: Labor faces an urgent need to dramatically improve its digital campaigning capability.

Finding 55: Labor's digital campaign needs to be more agile and effective in countering disinformation on digital platforms of its political rivals.

Chapter 9: The ground game

Finding 56: Coordination between national, state and local campaigns should be improved.

Finding 57: Enrolments in remote areas of Australia were adversely affected by cuts in Federal Government funding to the relevant parts of the Australian Electoral Commission.

Finding 58: Candidate vetting principles were not consistently applied.

Finding 59: There were examples across the nation of excellent engagement by ALP campaigns with culturally and linguistically diverse communities but they were not uniformly applied.

Chapter 10: Campaigning in the 2020s

Finding 60: Women were underrepresented in the campaign teams.

Recommendations

Labor's philosophy and policy approach

Recommendation 1: Labor should retain its core values, including improving the job opportunities, security and conditions of working Australians, fairness, non-discrimination on the basis of race, religion and gender, and care for the environment.

Recommendation 2: The campaign policies offered can be bold but should form part of a coherent Labor story, be more limited in number and complexity, and be easily explainable so they are less capable of misrepresentation.

Recommendation 3: Labor should position itself as a party of economic growth and reform, job creation and rising living standards, drawing upon and expanding on its past economic reforms.

Recommendation 4: Labor should adopt the language of inclusion, abandoning divisive rhetoric, including references to "the big end of town".

Recommendation 5: Labor's policy formulation process should be guided by its strategy and the national interest, avoiding any perception of capture by sectional interests.

Improving Labor's standing with disaffected voters

Recommendation 6: Without compromising existing support, Labor should broaden its support base by improving its standing with economically insecure, low-income working families, groups within the Christian community and Australians living in regional and rural Australia.

Recommendation 7: Labor should develop a coherent strategy for engaging more fully with culturally and linguistically diverse communities, including Chinese Australians.

Electoral reform

Recommendation 8: Labor should pursue legislation capping individual political donations and legislation for truth in political advertising.

Organisational matters

Recommendation 9: A formal campaign committee should be established early and should include representatives of the Party and the leadership group. It should liaise with ALP state and territory secretaries in the formulation of the campaign strategy and encourage a culture of open dialogue.

Recommendation 10: Campaign policies should be released at a time that allows them to be discussed and understood but not so early as to divorce them from the likely circumstances pertaining at the time of the election. Local commitments should be timed in such a way as to allow candidates to promote them within their electorates.

Recommendation 11: Labor should focus on fewer target seats and do more to ensure robust local campaign organisations are in place.

Recommendation 12: A centralised First Nations campaign structure should be designed wih input from the First Nations Caucus and the National Indigenous Labor Network.

Recommendation 13: A project should be established to identify best practice in relation to engagement with culturally and linguistically diverse communities for the purpose of promoting this across the Labor network.

Recommendation 14: Labor should achieve greater gender diversity in its campaign teams.

Recommendation 15: The National Secretary and State and Territory Secretaries should develop targeted campaign engagements aimed at restoring Labor's Senate primary vote.

Research capability

Recommendation 16: The National Secretary should commence a research procurement process before the end of 2019, with pre-established standards and expectations around quality and reliability. This process should deliver long-term contracts that assign research responsibilities to different providers.

Recommendation 17: Labor's research program should inform its campaign strategy independent of day-to-day tactical demands and deliver a set of strategic principles that guide the next campaign. These principles should be embedded in the Opposition's policy development and strategic decision-making process.

Recommendation 18: Research providers should be given opportunities to debate and critique research findings across methods. This should include collaboration between qualitative, quantitative and data researchers.

Recommendation 19: The National Secretariat should continue to identify opportunities for research collaboration and the sharing of resources with state and territory branches. The National Secretariat should also continue exploring and adopting innovative research methods.

Recommendation 20: The National Secretary must have the sole responsibility for determining the allocation of research program responsibilities within the campaign but must ensure there is a clear delegation of operational duties.

Digital campaigning capability

Recommendation 21: Labor's next national campaign should be driven by a "digital-first" model that is fit for the digital age.

Recommendation 22: Labor must develop a comprehensive strategy for message defence and combating disinformation, which should include full-time resources dedicated to monitoring and addressing false messages.

National Platform and National Conference

Recommendation 23: The ALP's National Platform should be reviewed and focused on values and principles, with the development of policy detail and the timing of releasing policies being the responsibility of the shadow ministry and the leadership group.

Recommendation 24: As an outcome of the review of the National Platform, it should remain bold but be streamlined and simplified.

Recommendation 25: The ALP's National Conference should be held by the end of 2020.

Implementation

Recommendation 26: The National Secretary should be responsible for the implementation of the recommendations and should be asked by the National Executive to prepare an implementation plan reporting quarterly to the National Executive Committee and annually to the National Executive.

Our answers to frequently asked questions

During our interviews and discussions with shadow ministers, MPs, state leaders, staff members, Party officials, trade union leaders and rank-and-file Party members, several questions repeatedly emerged. Here we summarise our responses to them, based on evidence, our observations, findings and recommendations.

Why were the polls so wrong? All of the published polls persistently overstated support for Labor, in terms of both the primary vote and two-party preferred support. The final polls of the campaign all predicted a two-party preferred swing to Labor, when ultimately the opposite occurred. Polling agencies are re-evaluating their approach to address the shortcomings. The early advice is the failure to construct or weight polling samples to properly account for education levels explains much of the error.

Why didn't Labor make the focus of its campaign the failings of the Coalition Government? Labor was the official opposition, yet it was treated and behaved like a government in exile, making itself the issue. While many media outlets were hostile to Labor's attempts to talk about the Government because they, like most of the Australian community, thought Labor was going to win the election, this should not have deterred Labor from making the campaign a referendum on the Government's disunity.

Does this spell the end of big, bold policy platforms? Labor should not be less ambitious about policy but its policy agenda should be less complex. Labor has won elections with bold policy platforms and lost elections where it has pursued a "small target" strategy. Labor should not abandon its progressive values and principles. The nature, size and breadth of pre-election policies should be carefully considered ahead of the 2022 election. Labor should emphasise signature policies that reflect Labor values and reinforce its voter-choice proposition. The volume of policy announcements released by Labor during the campaign should be reduced and the clarity of its campaign message improved.

Was Labor right to be upfront about its policy agenda during the election campaign? The Labor leadership was right to want to avoid an approach, illustrated by Tony Abbott, of breaking pre-election promises. Voters will reject, at the subsequent election, any leader of a party who has comprehensively broken their promises. However, announcing hundreds of policies in the lead-up to an election removes all flexibility to adjust to changing economic conditions and other circumstances following an election victory. The voting public does not expect, nor would it believe, a party could announce a full suite of policies for three years of government that would not vary come what may.

Did franking credits and negative gearing cost Labor the election? Beginning with $14 billion extra for schools, Labor had decided well before the election to commit large amounts of taxpayers' money to new spending initiatives. The total additional spending over 10 years was more than $100 billion. Having decided to spend this much more than the Coalition, Labor faced two choices: increase the budget deficit and public debt by the same amount or announce new revenue-raising measures to cover the cost. Many

submissions to the review argued against Labor's withdrawal of franking credit refunds and the restrictions on negative gearing of rental properties. Going into an election campaign with unfunded expenditure of more than $100 billion would have exposed Labor to a highly effective attack of massively increasing budget deficits and debt. If the extra spending was to be funded by revenue measures, which was the Labor leadership group's position, then alternatives to negative gearing and franking credit refunds would need to be found. Since Labor was already proposing an increase in the top personal tax rate to 49 per cent and opposing the Coalition's tax cuts for higher-income earners, the only alternative revenue source would be from lower and middle-income earners. The voters most affected by the franking credits policy actually swung to Labor. However, the sheer volume of spending announcements released during the campaign created a sense of risk in the minds of the main beneficiaries of Labor's policies – economically insecure, low-income voters – about Labor's economic management credentials.

Did Labor focus too much on climate change? A modern Labor Party cannot deny or neglect human-induced climate change. To do so would be wrong, it would cause enormous internal instability and it would be a massive electoral liability. Labor should focus on renewable energy and the jobs it creates, link its renewable energy policies to lower electricity prices and emphasise the important role government should play in assuring this essential service. Labor needs to increase public awareness of the costs of inaction on climate change if it is to successfully advance its climate change policies. However, Labor's ambiguity on Adani contributed to its loss in coal mining regions. It sent a message to voters in parts of regional Queensland and in the Hunter Valley that Labor did not value them or the work they do. This problem was magnified by the Stop Adani Convoy. A perception that Labor was not supportive of the mining industry may have also hurt the Party across the rest of Queensland. Labor should recognise coal mining will be an Australian industry into the foreseeable future and develop regional jobs plans based on the competitive strengths of different regions.

Did Labor's economic agenda swing too far to the left? Voters who do not consider themselves progressive will nevertheless accept progressive policies if the Party addresses their basic hopes and concerns. The absence of an economic growth story made Labor's policies appear entirely redistributive: for every winner there was a loser, and a loss weighs more heavily on a voter's decision than a gain. Constant attacks on "the big end of town" ignored the reality that big businesses employ lots of workers. These attacks amplified perceptions Labor was a risk to the economy and jobs. Many Australians earning above-average incomes felt Labor was including them in "the big end of town".

Did Bill Shorten cost Labor the election? No single person or factor cost Labor the election. Bill Shorten led a team that was united and stable. His standing among voters was not tested in the 2016 election, which nobody really expected Labor to win. Almost six years of opposition inevitably will take its toll on the popularity of any opposition leader. He saw off two prime ministers and won three difficult by-elections. His character was attacked through an enormously expensive campaign funded by Clive Palmer, which dovetailed into the Coalition's campaign. Notwithstanding, Shorten's ratings were low, especially in Queensland, and compared unfavourably with those of Scott Morrison.

Was Labor motivated by the politics of envy? Labor did not encourage everyday Australians to be envious of the wealthy. But Labor did not adequately acknowledge the legitimate desire of Australians for improved living standards for themselves and their children through their own hard work and initiative, even though this has always been integral to the Labor story.

Were Labor's policy processes too focused on responding to external advocacy? A vast array of advocacy groups banked the Labor win before the election. They knew if they did not obtain a Labor commitment to adopt their favoured policy then in a crowded field they were unlikely to gain any such commitment after the election. Labor's policy processes were too attentive to these efforts. This shifted the focus to Labor rather than the Coalition and helped create the avoidable dynamic where the election became a referendum on Labor despite six years of Coalition government.

Was Labor beaten on social media? The Coalition and its allies clearly out-performed Labor on social media. As routinely happens, when one party gains a technological edge in campaigning techniques the other party resolves to catch up for the next election. This has happened in respect of the use of fax machines, letterboxing, direct mailing, door knocking, phone banking and more recently, social media. Labor outperformed the Coalition on social media in the 2016 election. This caused the Coalition to learn, catch up to and comprehensively surpass Labor in the 2019 election.

Did Labor lose because of powerful vested interests in Clive Palmer? The entry of Palmer as a high-wealth individual willing to outspend the entire Labor Party was a new factor in 2019. However, whether in 2022 it is Palmer, another conservative high-wealth individual or conservative media outlet hostile to Labor, Labor's task is to win the next election in spite of wealthy opponents, rather than taking the easy path of blaming them for a further loss. We do, however, recommend Labor pursue measures to prevent high-wealth individuals essentially buying elections, as this represents a threat to our democracy.

Why were the results in Queensland so bad? While Adani was a factor in Labor's poor performance in regional Queensland, it does not explain the large swings against it in most of south-east Queensland. The groups of voters who swung most strongly against Labor were self-described Christians and economically insecure, low-income voters who do not like or follow politics. These voters are heavily represented in Queensland. Perhaps the perception of Federal Labor not being supportive of the mining industry, which is such an important industry for all Queenslanders, played a role too. The cumulative effect of a number of issues made Queenslanders feel Federal Labor was not on their side.

Why didn't Labor respond to the negative campaigns of its opponents? When Labor responded in the mainstream media to the death tax scare campaign it made matters worse, with its denial being used by the Coalition to intensify and expand the social media discussion of Labor's non-existent death tax policy. Labor's digital operation was not able to rebut these misrepresentations or stop the spread of disinformation online.

Was Labor too complacent? There was undoubtedly a mindset that Labor was heading for victory and this infiltrated all campaign thinking. In Labor's defence, every poll, betting agency and almost every serious commentator was also expecting a Labor victory.

Implementation

For this review to be valuable its recommendations must be acted upon or at least considered seriously. The experience of past reviews is some of their recommendations were not acted upon, notwithstanding they were accepted in full.

Concluding remarks

The 2019 election loss was not the result of a lack of dedication or hard work. From the leader, down through the central campaign team, to candidates, local campaigns, members and supporters in the field knocking on doors, everyone gave everything they had in the quest for victory. The trade union movement, the foundation stone on which the Australian Labor Party was built, put a huge effort into the election campaign.

In conducting this review, we have been overwhelmed by the constructive way in which people have contributed to it. There has been a genuine determination to learn why we lost, an honest appraisal by those involved in the campaign about their role, a lack of recrimination against others, and a burning desire to win next time.

Paradoxically, many of the people for whom Labor's policy agenda was designed to benefit voted against the Party and those adversely affected by Labor's tax policies swung to Labor, while the openness intended by promoting a detailed policy agenda caused fear rather than trust.

This makes it all the more disappointing to conclude that a Labor campaign with a strong strategy and ability to adapt, and which focused on the obvious deficiencies of our opponents, would have been victorious.

While we should have won in 2019 it unfortunately does not mean the 2022 campaign will be any easier. We have made observations about Labor's culture and in particular its policy formulation process. Labor will need to reflect on whether its current structures and processes are suitable for this task.

We hope that this report and its findings and recommendations will make a helpful contribution to achieving victory in 2022.

CHAPTER 1:
WHY DID LABOR LOSE?

Answering the most important question

Highly divergent views have been expressed publicly and to the review on why Labor lost. Some argue the Party should have had fewer policies while others believe they were too expansive and too expensive. Some blame Labor's negative gearing and franking credit policies while supporting the spending they funded, forgetting that unfunded Labor spending running into hundreds of billions of dollars would have invited a highly effective campaign about Labor creating a debt and deficit disaster. Some blame the leader. Others claim Labor's climate change policies cost it the election.

We assess each of these contentions and others. While there are many reasons for any election loss, each making a small contribution to the final result, we consider the three overriding reasons for Labor's loss of the 2019 election were:

• Weak strategy;

• Poor adaptability; and

• Unpopular leader.

Weak strategy

Typically, any successful major undertaking requires a sound strategy. While there are many ways for a strategy to be formed, best practice usually involves a process that includes an assessment of strengths and weaknesses, and consideration of the context in which the exercise is being undertaken. An iterative process involving all the key players, informed by research, should then arrive at a settled approach. The strategy should then be reduced to writing and monitored, with progress against it measured.

We could not find any documented strategy that had been discussed, contested and agreed across the campaign organisation, the leadership and the wider Labor Party. Over the course of 2017 and 2018 the turbulent events of the 45th Parliament, especially the Parliamentary eligibility crisis, multiple by-elections, government members threatening to move to the crossbench and a change of prime minister, created tactical pressures that resulted in valuable resources being diverted from the overall campaign strategy and logistical work. There was copious research, but its focus was on advertisements and testing particular language in preparation for a potential early general election, or more

immediate electoral tests such as the by-elections of 2017 and 2018.

Finding 1: *Labor did not settle on a persuasive strategy for winning the election.*

We found no body that was empowered to discuss and settle a strategy or any process to monitor its implementation. The National Secretary chaired regular discussions with the state and territory secretaries, but this was not a decision-making body. A parliamentary leadership group received reports from the National Secretary from time to time concerning research but did not itself settle on a strategy.

New spending policies appear to have been decided by a combination of the leader and his office, a shadow expenditure review committee and an augmented leadership group. These decisions were not informed by an overarching strategy. Indeed, the National Secretary seems to have been taken by surprise by the number and size of the policy offerings that were announced during the campaign.

Another group involving the leader, his office, senior shadow ministers and senior Party officials had been meeting weekly for several months as a campaign audit committee but it did not determine the overall strategy going into the campaign.

Finding 2: *No formal campaign committee was established, creating no forum for formulating an effective strategy or for receiving reports evaluating progress against the strategy.*

The leader, shadow ministers and Party officials gave the review widely divergent answers to the question: What was Labor's strategy? Some mentioned the pledge card issued to all MPs containing a grid of topics. Some said Labor's strategy was "fairness versus cuts". Others said it was "cuts and chaos".

On positive campaigning, Labor's strategy shifted back and forth from wages, cost of living, climate change and a multitude of new spending announcements. By Anzac Day, the campaign message had shifted to chaos on the conservative side of politics as the Coalition's preference deal with Clive Palmer became public.

Unsurprisingly, the Labor campaign lacked focus, wandering from topic to topic without a clear purpose. This is confirmed by the research finding that those who voted for Labor did so on the basis of five separate reasons, none of which exceeded 21 per cent. In contrast, those who voted for the Morrison Government did so overwhelmingly because of its messages on the economy and the budget and its fear campaign over Labor's expensive agenda.

Labor's election policies were many and complex while the Coalition's were few and simple. Labor ran an overwhelmingly positive campaign while the Coalition's campaign was almost

entirely negative. Labor reached voters engaged in the political process while the Coalition reached disengaged voters. Labor's failure to persuade disengaged Australians to vote for it explains the election result.

Finding 3: *Labor did not craft a simple narrative that unified its many policies.*

Numerous local campaigns had been picking up anti-Labor sentiment while door knocking, phone banking and holding street stalls. State and territory branches, shadow ministers and others across the Party raised concerns too. Candidates and local campaign teams felt they were not taken seriously when they raised their concerns and the campaign was unable to adjust in response to the feedback it was receiving. All of this was made more difficult by high expectations of a Labor victory.

Finding 4: *Labor's campaign lacked a culture and structure that encouraged dialogue and challenge, which led to the dismissal of warnings from within the Party about the campaign's direction.*

The orthodox strategic approach for an opposition seeking election is to characterise the election as a referendum on the failings of the government. This approach was not taken in the 2019 election. Yet it was an obvious approach in this situation because the failings of this Government were numerous, the main one being its disunity and therefore its inability to grapple with the major public policy challenges facing the nation.

Finding 5: *Labor failed to campaign sufficiently and consistently on reasons to vote against the Coalition.*

Labor targeted too many seats. Rather than settling early on an identified pathway to victory, the Labor campaign sought multiple paths. As a result, resources were spread too thinly and the campaign did not focus sharply enough on the key seats that could have delivered a majority in the House of Representatives.

Finding 6: *Labor targeted too many seats, such that resources were spread too thinly and the campaign's impact was diluted.*

Poor adaptability

Any campaign must have the capacity to adapt to changing circumstances. The late switch to Scott Morrison as Liberal leader after days of turmoil required careful consideration. Instead, it was the subject of a cursory examination. Granted, the risk posed by Morrison was concealed by his woeful performance in the Wentworth by-election and the Coalition's continuing poor Newspoll results. But by December 2018, when Morrison reframed the campaign around an evaluation of him versus Bill Shorten, the seriousness of this risk

should have been identified, any strategy reviewed and, if necessary, adjusted. But there was no coherent strategy to review.

From the start of the campaign, Morrison sought to neutralise internal instability as an issue by performing as the Government's sole representative in the media. He refused to answer media questions about leadership instability, dismissing them as "bubble questions". He attacked Shorten, claiming Labor couldn't manage the Budget and voters would bear the costs. While the Liberal campaign was overwhelmingly negative, its positives of tax cuts and a return to surplus were simple and cut through, Morrison stating: "We've brought the Budget back to surplus next year".

Labor persisted with its attack on "the big end of town", encouraged by research that had supported this language. But the term had been formulated for Malcolm Turnbull's leadership and was associated with the abandoned company tax rate cut for large businesses and the Government's reluctance to call a Banking Royal Commission. In contrast, Morrison had presented himself as a suburban dad, he had presided over budgets that had reversed many of the Abbott Government's 2014 spending cuts and in the 2019 Budget he had announced substantial personal income tax cuts.

Labor took comfort from a narrowing in the preferred prime minister rating between Morrison and Shorten over the period from Morrison's elevation to the Liberal leadership and the election campaign. This movement in favour of Shorten appears to have been instrumental in Labor's decision to persist with its pre-Morrison strategy.

There is no evidence of any serious evaluation of the threat the shift to Morrison posed or any awareness of the importance of Morrison's publicly announced reframing of the election as being a showdown between himself and Shorten. There was little attempt to narrow the gap in standing by attacking the credibility of Morrison.

Finding 7: Labor's election campaign did not adapt to the new Liberal leader and his reframing of the election as a choice between himself and Bill Shorten.

Unpopular leader

Bill Shorten worked hard, he was disciplined and he led a unified team. This was a product of the personal efforts of the leader and the team's desire for unity. None of the conclusions that follow should be taken as a personal reflection on Shorten. His net favourability rating was an issue that needed to be addressed. A sustained campaign of attacks by the Coalition on Shorten's personal credibility had taken its toll. Attempts by the Party to develop a strategy that lifted Shorten's personal standing prior to the campaign were inadequate and unsuccessful.

Further, little regard seems to have been paid to the risks associated with an expansive policy strategy and the focus this would inevitably bring on the leader rather than the Government.

Chart 1 shows a sizeable gap between those Newspoll respondents who were satisfied with Shorten's performance and those who were dissatisfied. However, the gap did close over time.

Chart 1: Opposition Leader Bill Shorten - Newspoll satisfaction ratings 2015-2019
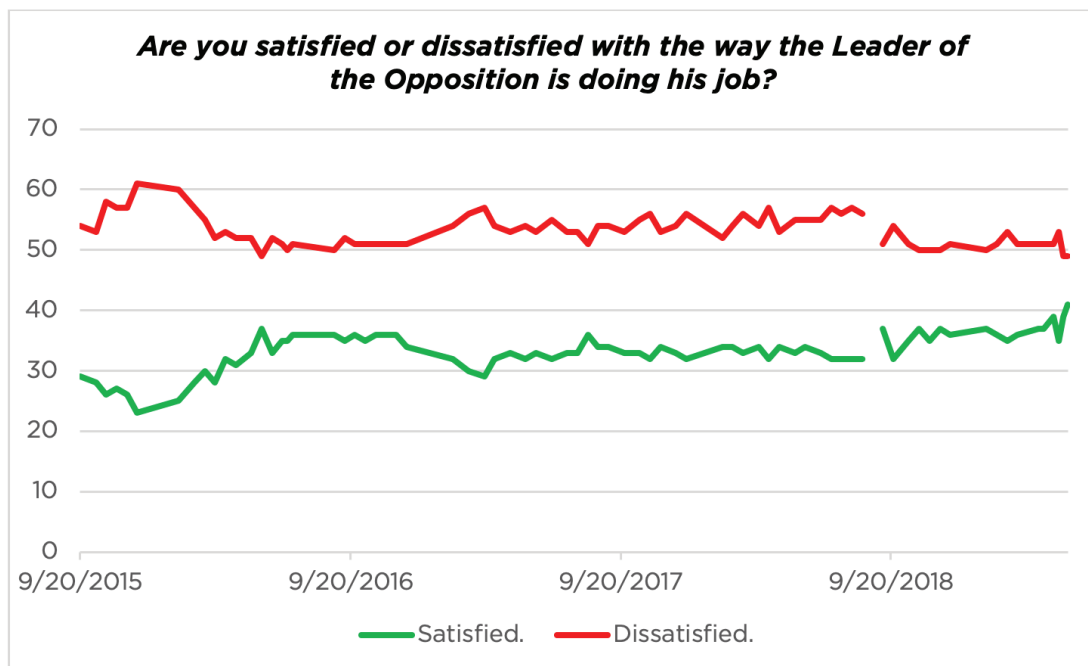
Source: Newspoll

Shorten performed solidly during the campaign despite some early missteps. He won the three debates against Scott Morrison and performed flawlessly on Q&A. Although the audiences of those events were not large, the news of them reached most voters. His defence of his mother's legacy was moving and powerful.

The Coalition and Palmer campaigns, however, focused heavily on Shorten, attacking his personal credibility as "Shifty Shorten" and "the Bill Australia can't afford". The interaction of Labor's expansive policy offering and the doubts about Shorten became a lethal combination.

Chart 2: ALP's tracking poll during the 2019 election campaign
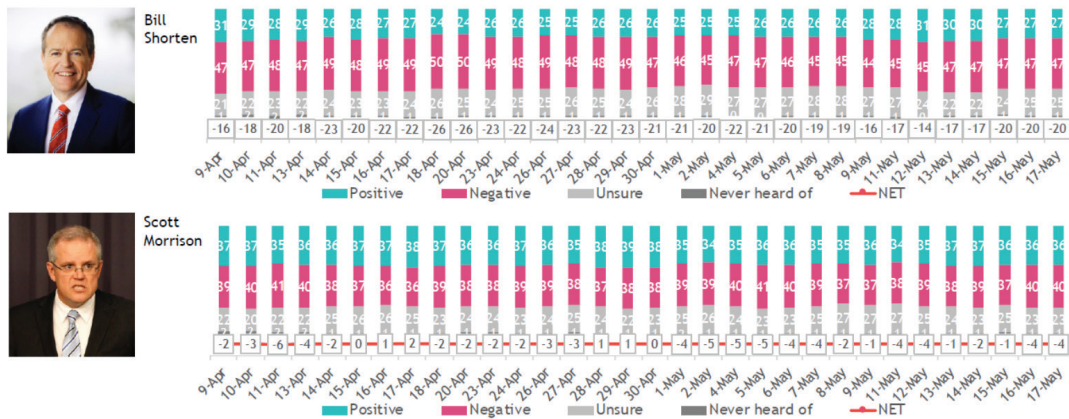
Source: YouGov

Heading into polling day, Shorten had a net negative favourability rating of -20 while Morrison's was -4. In a state breakdown, Shorten's lowest ratings were in Queensland and Western Australia while Morrison's worst rating was in Victoria.

An ANU study (Biddle 2019) of why people changed their votes during the election campaign concluded:

> "...the Opposition leader (Bill Shorten) pushed more people away from Labor between April and the election than drew people towards Labor" and "For those who intended to vote Labor but did not end up doing so, it was their view of Bill Shorten that changed" (pp. 15 & 24).

A critique of the ANU study by Bonham (2019) questions the reliability of its methodology and the conclusions reached. Yet focus-group research conducted by Essential Research involving groups of swinging voters, who were concerned with climate change and were contemplating voting Labor but decided to stay with the Liberal Party, identified leadership as a key reason for not switching.

A further analysis by Essential Research's Peter Lewis (2019) lends weight to:

> "... the argument that Labor's campaign and, more pointedly, the Coalition's personal attacks on Bill Shorten fuelled by a third party-funded social media info-war, had a significant impact on the final result."

***Finding 8:** Bill Shorten's unpopularity contributed to the election loss.*

CHAPTER 2:
CONTEXT OF THE CAMPAIGN

Why context is relevant

The 2019 election outcome cannot be properly understood and lessons for the future cannot be drawn without an appreciation of the context in which the campaign took place.

We consider the main contextual issues of the campaign to have been:

• Declining trust in politics and politicians;

• Elevated levels of risk and uncertainty around the world;

• The influence of Labor's recent history; and

• Labor's culture.

Declining trust in politics and politicians

Around the world, polls reveal declining trust of politicians and political institutions. Contributing to this collapse have been political scandals, deal making between politicians and large businesses, the Global Financial Crisis and its recessionary aftermath, and the conspicuously extravagant lifestyles of the highly wealthy at a time when the wages of most workers have been stagnating.

Chart 3: Edelman global trust index 2019

Value	Country	Category
52	Global Average	Neutral
79	China	Trust
73	Indonesia	Trust
72	India	Trust
71	UAE	Trust
62	Singapore	Neutral
59	Malaysia	Neutral
58	Mexico	Neutral
56	Canada	Neutral
55	Hong Kong	Neutral
54	The Netherlands	Neutral
52	Colombia	Neutral
49	U.S.	Distrust
48	Australia	Distrust
46	Argentina	Distrust
46	Brazil	Distrust
46	Italy	Distrust
46	South Korea	Distrust
45	South Africa	Distrust
45	Turkey	Distrust
44	France	Distrust
44	Germany	Distrust
43	U.K.	Distrust
42	Ireland	Distrust
40	Spain	Distrust
39	Japan	Distrust
29	Russia	Distrust

Trust (60-100)
Neutral (50-59)
Distrust (1-49)

Source: 2019 Edelman Trust Barometer The Trust Index is the average per cent trust in NGOs, business, government and media, based on 33,000 surveys conducted online in 27 markets.

Respondents are asked to indicate how much they trust each institution using a nine-point scale.

This is true of Australia as well. In fact, trust has collapsed in recent years.

Chart 4: Satisfaction with Australian democracy

Q: How satisfied are you with the way democracy works in Australia?

Year	Satisfaction
1996	78.0%
1998	71.2%
2001	73.6%
2004	81.6%
2007	85.6%
2010	71.5%
2013	71.7%
2016	41.8%
2018	40.5%
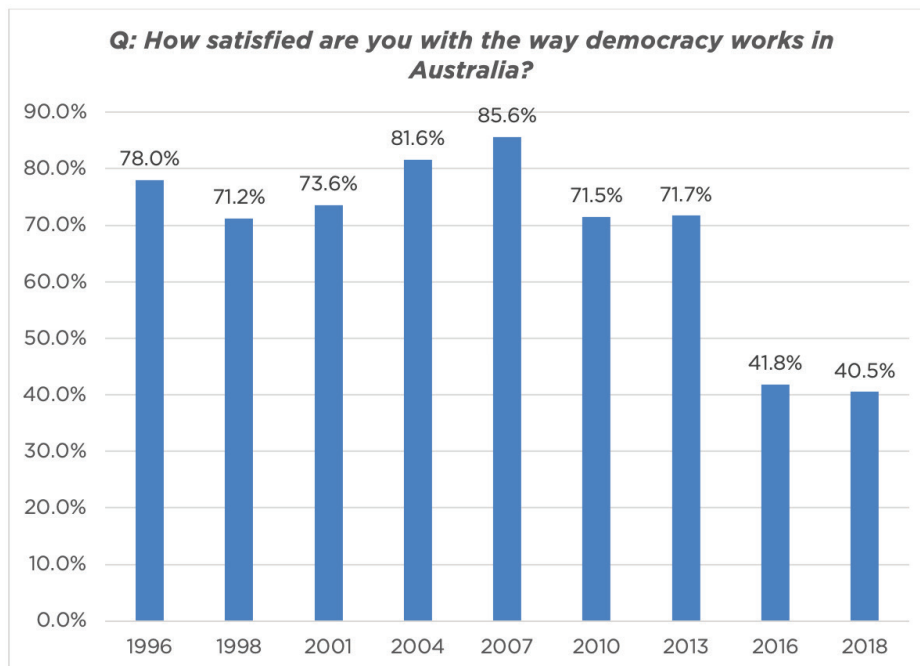
Source: Museum of Australian Democracy, Trust in Democracy in Australia (2018)

While a collapse in trust might be considered to benefit an opposition over a government, it has applied to both parties capable of forming government. This helps explain the rise of minor parties, especially those of the right. The Coalition Government spent a large part of its political effort over the last few years responding to and seeking to counter the rise of smaller right-wing parties such as One Nation and the United Australia Party. But as the Coalition shifted to the right it lost the support of moderate conservative voters. This resulted in an unprecedented number of moderate independents in the House of Representatives and the exposure to Labor of its traditionally safe seats populated by moderate conservatives in Melbourne.

Labor has had its own challenges on its left since the formation of the Australian Greens in 1992. The Greens hold one seat in the House of Representatives and are competitive in a number of inner-city seats in Melbourne and Sydney.

While the loss of faith in mainstream parties is an international phenomenon, it is one the Australian Labor Party cannot afford to ignore. Labor is a reformist party and it relies upon building public trust to be given the opportunity to govern. Labor should always be conscious that a party of social reform bears a greater burden of persuasion than its conservative opponents.

Finding 9: *Voter trust in politics globally and in Australia has collapsed, resulting in economically insecure, low-income voters treating all political promises with extreme scepticism while being highly receptive to negative campaigns.*

Rising perceptions of risk

Rising perceptions of risk have become the subliminal background for much of our recent political discourse. September 11, the war in Iraq, other terrorist attacks, the rise of ISIS and the civil war in Syria have all contributed to an elevated sense of danger in established communities. Large flows of refugees into Europe from Afghanistan, Iraq, Iran and Syria have created in many communities a sense of "self" versus "other" as receiving communities perceive a loss of identity.

Adding to these new uncertainties has been the economic dislocation in working-class communities, especially in the United States, associated with the re-emergence of China, together with the lingering effects of the Global Financial Crisis. Globalisation in the digital age has created a global labour market, causing anxiety about job security. Wages growth has been depressed by workers anxious their jobs could readily be contracted out if they sought pay rises from their employers.

Economically insecure, low-income workers are receptive to messages their plight is the fault of foreigners and their political supporters. To illustrate, the Coalition has been able to exploit fear and anger among low-income workers about asylum seekers taking their jobs and changing their communities. The Morrison Government warned ahead of the 2019 election campaign that a Medevac Bill, supported by Labor and passed by the House of Representatives against the Government's wishes, would lead to asylum seekers taking up hospital beds at the expense of sick Australians and push poor Australians out of public housing.

Escalating the rhetoric, the Government warned that the asylum seekers transferred to Australia for medical attention may be "paedophiles, rapists and murderers". Playing on fears of a flood of sexually perverted, violent, criminal asylum seekers, the Government reopened the Christmas Island detention centre at a cost to taxpayers of $185 million.

As the UKIP in Britain, Marine Le Pen in France and Donald Trump in America have done, the Coalition and One Nation in Australia have sought to create a boundary between "self" and "other" in mainly low-income and disadvantaged communities, especially in regional and outer-urban Queensland.

The Socialist Party of France and the SPD in Germany, like the Australian Labor Party, have traditional associations with a working-class constituency. These two progressive, European parties have suffered an unprecedented loss of support, having been identified with cosmopolitan internationalism and positioned as opposed to nationalism. Cosmopolitanism is characterised by inner-urban demography, articulate discourse, social and cultural mobility, celebration of diversity, tolerance of ambiguity, internationalism and, usually, privileged-class position. Its spokespersons and supporters enjoy higher levels of education and are more likely to be secular humanists or agnostic, rather than people of faith.

Labor has been grappling with these contending forces in Australian politics. It supported both offshore detention of asylum seekers and boat tow backs. But the Medevac Bill gave the Coalition a fresh opportunity to portray Labor as supporting foreigners over Australians – "other" over "self". As an island continent, Australia could not have Trump's wall but it could have a military-looking Border Force to replace a warm and friendly Australian Customs Service, and the Coalition delivered it.

The Adani coal mining proposal presented the Coalition with an ideal opportunity to characterise Labor as supporting "other" over "self". The "self" being the mining communities of central and north Queensland and the Hunter Valley and the "other" being southerners who demanded coal miners give up their jobs for the sake of the globe. This was powerfully ignited by the Stop Adani Convoy, as we will discuss later.

Finding 10: *The election was conducted in a political climate shaped by rising perceptions of risk at the international and national levels, which demanded reassurance.*

The influence of Labor's recent history

To a large extent, the Federal Parliamentary Labor Party's experience in government from 2007 to 2013 shaped its behaviour through six years of opposition. Labor's approach to the 2019 federal election campaign can only be properly understood and assessed by first examining its conduct in government followed by the defining political events as they unfolded during its years in opposition.

Labor's time in government 2007-2013

Kevin Rudd's elevation to the Prime Ministership was welcomed as an end to the Howard Government's WorkChoices and the beginning of effective action on climate change. The overreach by John Howard in his Government's attack on a broad range of conditions enjoyed by working people consolidated Labor's traditional vote. Queenslanders voted strongly for one of their own to lead the nation. Rudd's handling of the Global Financial Crisis and his apology to the Stolen Generation were landmark achievements of his time as Prime Minister. Rudd's decision to abandon the pursuit of the Carbon Pollution Reduction Scheme in the face of opposition damaged the Party and his standing. The unexplained termination of Rudd's leadership and the role played by Bill Shorten in that process and in the subsequent demise of Julia Gillard had a negative effect on Shorten's standing.

Gillard led a government that achieved numerous policy successes, including the implementation of a reformist needs-based school funding system, a demand-driven university system, the introduction of the National Disability Insurance Scheme and the Royal Commission into Institutional Responses to Child Sexual Abuse. Nevertheless, leadership instability marred Labor's time in government.

Labor's time in opposition

Table 1 sets out a chronology of relevant events in Labor's time in opposition following the 2013 federal election.

Date	Event
7 September 2013	Federal election, change of government. ALP loses 17 seats.
13 October 2013	Bill Shorten is elected leader of Federal Parliamentary Labor Party.
15 March 2014	South Australian state election, Labor is re-elected.
13 May 2014	Tony Abbott's Budget cuts health and education spending, changes pensions.
8 February 2015	Abbott survives a Liberal Party leadership spill motion 61 votes to 39.
14 September 2015	Malcolm Turnbull successfully challenges Abbott for the Prime Ministership.
12 February 2016	Labor announces changes to negative gearing and capital gains tax rate.
3 May 2016	Federal Budget announces a company tax rate cut for large corporations.
26 June 2016	Labor releases policy costings, including school funding of $35 billion.
2 July 2016	Federal election, Coalition Government returned, Labor gains 14 seats.
27 August 2016	Northern Territory election, Labor is elected.
15 October 2016	ACT election, Labor is re-elected.
23 February 2017	Fair Work Commission announces cuts in Sunday penalty rates.
11 March 2017	Western Australian state election, Labor is elected.
2 May 2017	Turnbull announces extra school funding of $19 billion over 10 years.
11 May 2017	Labor announces it will provide $22 billion in extra school funding.
17 October 2017	Turnbull announces National Energy Guarantee (NEG).
25 November 2017	Queensland state election, Labor is re-elected.
2 December 2017	New England by-election, Nationals' Barnaby Joyce is re-elected.
14 December 2017	Turnbull Government announces a Banking Royal Commission.
16 December 2017	Bennelong by-election. Liberals' John Alexander is re-elected.
23 February 2018	Joyce resigns as Deputy Prime Minister.
3 March 2018	Tasmanian state election, Coalition is re-elected.
5 March 2018	Shorten announces he does not support the Adani coal mine.
13 March 2018	Labor announces it will halt cash payments of franking credits.
13 March 2018	Labor announces the Australian Investment Guarantee.
17 March 2018	South Australian state election, Liberals are elected.
17 March 2018	Batman by-election, Labor's Ged Kearney is elected.
8 May 2018	Budget persists with company tax rate cut.
16 May 2018	Chris Bowen commits to a better budget bottom line than the Coalition.
28 July 2018	"Super Saturday" by-elections, Labor retains Longman and Braddon.
21 August 2018	Turnbull Government abandons company tax rate cut for big businesses.
21 August 2018	Liberal leadership spill, Turnbull defeats Peter Dutton 48 votes to 35.
24 August 2018	Turnbull resigns, Scott Morrison defeats Dutton 45 votes to 40.
26 August 2018	Julie Bishop resigns as Foreign Minister and later from Parliament.
20 October 2018	Wentworth by-election, Liberals lose to independent Dr Kerryn Phelps.
24 November 2018	Victorian state election, Labor is re-elected.
27 November 2018	Liberal MP Julia Banks moves to the crossbench.
16 December 2018	ALP National Conference begins.
17 December 2018	Government announces reduced budget deficit and projected surplus.
1 February 2019	Banking Royal Commission hands down its report.
13 February 2019	Government loses House vote on Medevac Bill.
2 March 2019	Liberal MP for seat of Sturt announces he will not recontest.
14 March 2019	Liberal MP for marginal seat of Reid announces he will not recontest.
23 March 2019	NSW state election, Coalition is re-elected.
1 April 2019	Labor announces climate change policy.
2 April 2019	Federal Budget announces three-stage tax cuts and extra spending.
9 April 2019	Government announces approval of Adani coal mine.
11 April 2019	Writs are issued for the 2019 federal election.
18 May 2019	Federal election, Coalition Government is returned.

Labor's first term in opposition 2013-2016

At the September 2013 federal election, the Opposition, led by Tony Abbott, campaigned on Labor's disunity, promising to scrap the carbon price and the mining tax, and pledging to turn around what it described as Labor's "debt and deficit disaster". The Coalition won 90 seats and Labor just 55 seats.

The entire Federal Parliamentary Labor Party learned a bitter lesson from the internal instability that had marred Labor's time in government and made the party unelectable in 2013. Caucus placed a premium on stability from the time of the election of Bill Shorten as leader. Moreover, the second Kevin Rudd-led Caucus changed the rules to assure the leader's position.

Shorten's leadership rival, Anthony Albanese, pledged his support for Shorten and there were no real hints in the media of leadership instability. A united caucus turned its energies to opposing the Abbott Government over its abandonment of any effective policy on climate change. It also pressed the Abbott Government to confirm its pre-election promise the Gillard Government's funding package for the Gonski needs-based school funding system, together with enhancements for Catholic and independent schools, would be honoured in full.

Finding 11: *Labor's period in opposition from 2013 to 2019 was characterised by stability, as a result of the collective decision of the federal caucus to prioritise unity.*

In the 2014 Budget, Abbott infamously broke his pre-election promises of no cuts to health, education or the ABC and no changes to pensions. Labor ran a sustained and effective campaign against Abbott's broken promises and pledged to restore the announced cuts.

Liberal dissidents moved a spill motion against Abbott in February 2015, which was defeated 61 votes to 39. This was the official beginning of Liberal Party leadership instability. Malcolm Turnbull successfully challenged Abbott for the leadership in September 2015, the pretext including Abbott's loss of 30 successive Newspolls to the Shorten-led Labor Party.

Turnbull was personally very popular in the electorate but instead of calling a general election he proceeded to a May Budget, delivered by new Treasurer Scott Morrison. The 2016 Budget included a cut in the company tax rate for big businesses from 30 per cent to 25 per cent. The forward estimates still contained several of the spending cuts announced in the Abbott Government's 2014 Budget. This exposed Turnbull, described by Abbott's former chief of staff Peta Credlin as "Mr Harbourside Mansion", to a Labor campaign of appealing only to "the big end of town" while cutting benefits for everyday Australians.

In February 2016, against the background of soaring house prices in Sydney and Melbourne, Labor announced a crackdown on negative gearing and a halving of the capital gains tax discount.

At the federal election held in July 2016, following an eight-week campaign, the Turnbull Government was reduced to a one-seat majority, with the Shorten-led Opposition picking up 14 seats. Aided by the "Save Medicare" campaign, Shorten and Labor were judged to have performed exceptionally well. The negative gearing policy did not appear to have detracted from the Labor vote, with the Turnbull Government running a mostly positive campaign.

However, in the last week of the election campaign the economic team was obliged to announce that, while Labor had a superior budget bottom line to the Coalition's over a 10-year period, its new spending commitments gave it a weaker bottom line over the four-year forward estimates. This was in the context of a very large budget deficit of almost $40 billion.

Despite gaining 14 seats nationally, only two of these were in Queensland, both on the back of unsolicited One Nation preferences. The experience of the 2016 election led Bowen and the Labor leadership to conclude Labor must not go into the next election with a weaker budget bottom line than the Coalition.

Labor's second term in opposition 2016-2019

On 23 February 2017 the Fair Work Commission announced it would cut Sunday and public holiday penalty rates for the hospitality, retail and fast-food industries. Bill Shorten announced the same day Labor would oppose the cuts. In several votes in the Parliament in ensuing months the Turnbull Government voted against bills that would have prevented the penalty rate cuts proceeding.

In an effort to end the school funding wars that started with the Abbott Government's 2014 Budget cuts, the Turnbull Government announced ahead of the May 2017 Budget substantial extra funding for schools based on the Gonski needs-based funding model. The Labor leadership responded by announcing Labor would oppose the extra funding, pledging an additional $22 billion.

The Turnbull Government began grappling with policy instruments designed to reduce Australia's carbon emissions while also reducing escalating electricity prices. It landed on the National Energy Guarantee (NEG) in October 2017, to which Labor gave in-principle support, albeit with more ambitious emission reduction targets.

A constitutional crisis around the eligibility of several MPs and Senators to sit in the Parliament resulted in seven by-elections during the 45th Parliament. Barnaby Joyce and John Alexander were re-elected in December 2017.

After voting against a Banking Royal Commission 26 times, the Turnbull Government announced one on 14 December 2017. The Royal Commission reported in early February 2019, delivering a scathing verdict on the conduct of banks, some private superannuation funds and other financial institutions. Its public hearings revealing scandalous behaviour were a constant reminder of the Turnbull Government's resistance to calling the Royal Commission.

At the urging of Malcolm Turnbull, Joyce resigned from his position as Deputy Prime Minister in February 2018, following revelations he was in a relationship and expecting a child with a former staff member. Joyce remained resentful of Turnbull's public remonstration.

On 13 March 2018, days before the Batman by-election, Labor announced it would halt cash payments of franking credits to shareholders on the basis they were effectively refunds of tax that was never paid. Revenue from the measure, amounting to almost $6 billion per annum, together with revenue from the already-announced crackdowns on negative gearing and the use of family trusts to minimise tax, would be used to cover the cost of announced and unannounced new spending policies and to improve the budget bottom line.

One of the policies to be funded by the halting of cash payments for franking credits was the Australian Investment Guarantee (AIG), a form of accelerated depreciation to incentivise new investment. This was to be the centrepiece of Labor's economic policy and an effective alternative to the Coalition's proposed five percentage-point company tax rate cut.

On 17 March 2018, Labor's Ged Kearney defeated a Greens' challenge in the Batman by-election. This was an early electoral test of the franking credit policy and it seemed to have passed. During the by-election campaign Labor made statements against the Adani coal mine proposal in central Queensland with Shorten stating on 5 March: "I don't support the Adani project", and on 6 March: "I don't support it because it doesn't add up commercially and environmentally".

In the months following the Batman by-election Labor hedged between not supporting the Adani mine outright while not opposing it outright, leaving it exposed to allegations of mixed messaging.

In the May 2018 Federal Budget, the Turnbull Government persisted with the company tax rate cut for large businesses but did not make major new spending cuts. It was designed to achieve political stabilisation for the Coalition.

Seared by the experience of having to announce a weaker budget bottom line than the Coalition's in the 2016 election, Shadow Treasurer Chris Bowen confirmed in his 16 May 2018 post-Budget speech that a Shorten Government would achieve a balanced budget in the same year as the Coalition and deliver bigger budget surpluses over the four-year forward estimates and substantially bigger surpluses over 10 years.

Finding 12: *Labor's decision to pursue new tax measures was heavily influenced by a desire to cover the cost of large, new spending policies and deliver a better budget bottom line than the Government.*

Among five by-elections held on the "Super Saturday" of 28 July 2018, two were particularly influential on political developments. Labor retained the marginal seats of Longman and Braddon. Labor surprised in performing so well and the Liberal primary vote in the Queensland seat of Longman plunged below 30 per cent.

In ensuing weeks, a group of Coalition MPs threatened to cross the floor in any parliamentary vote on the NEG, leading Turnbull and Environment and Energy Minister Josh Frydenberg to abandon it, and with it, any pretence of a policy on climate change.

The Longman by-election result directly led to Peter Dutton, in the adjoining marginal seat of Dickson, to challenge Turnbull for the Liberal leadership. His impending challenge was strongly supported by Luke Howarth in the also-adjoining marginal seat of Petrie, as well as by several other Queensland Liberal MPs.

On 21 August 2018, Turnbull, having heard Howarth intended to move a leadership spill motion, announced his own spill. Turnbull defeated Dutton 48 votes to 35. That same day, the Turnbull Government abandoned its efforts to cut the tax rate cut for large companies, announcing it would not take the proposal to the 2019 federal election.

Three days later, on 24 August 2018, Scott Morrison was elected Leader of the Liberal Party, defeating Peter Dutton 45 votes to 40. Australia had its third Liberal prime minister in just five years.

New Prime Minister Morrison immediately took on the persona of a baseball-cap wearing daggy dad, and travelled through Queensland where the Coalition was considered to have been most vulnerable.

With the company tax rate cuts for large businesses now abandoned and with a new leader, the Coalition Government was looking different. Yet the Labor leadership did not seem to adjust its strategy to deal with the Morrison Government, persisting with cuts and references to "the big end of town".

Morrison's political skills were quickly tested at the Wentworth by-election of 20 October 2018 necessitated by Turnbull's resignation from Parliament. Morrison stumbled several times, announcing a review of the possible relocation of Australia's embassy in Israel from Tel Aviv to Jerusalem, dealing with Coalition Senators' support for a racist motion moved by Pauline Hanson, and supporting the beaming onto the Opera House sails of the barrier draw for a rich horse race. In a protest against the removal of Turnbull, the Liberals lost the seat of Wentworth to Independent Dr Kerryn Phelps.

If Labor assumed from the Wentworth by-election the Morrison Government would struggle at the 2019 election, its confidence was boosted further by the result of the Victorian state election on 24 November 2018. The Andrews Government was re-elected with an increased majority, enjoying swings in wealthy Melbourne suburbs of up to 9 per cent. State Labor had campaigned on local and state issues, but also on Federal Liberal leadership instability, featuring billboards displaying the likes of Greg Hunt and Peter Dutton who led the ousting of Turnbull. Large numbers of moderate Liberals, supportive of Turnbull and of effective action on climate change, switched their votes to Labor.

Shortly afterwards, on 27 November 2018, Julia Banks, the Liberal Member for Chisholm, announced she was quitting the Liberal Party and moving to the crossbench, plunging the Coalition deeper into minority government following the loss of Wentworth.

In an effort to deal with perceptions of Liberal leadership instability, Morrison announced in December 2018 the party room could no longer remove a Liberal prime minister who had won an election unless a two-thirds majority supported the change. This resembled the rule change Kevin Rudd was able to pass through caucus in 2013.

In the Mid-year Economic and Fiscal Outlook (MYEFO) released on 17 December 2018, the Morrison Government announced a much-reduced budget deficit and that the Government was on track to deliver a surplus in 2019-20.

When Turnbull called the by-elections for "Super Saturday", the ALP was obliged to move its National Conference to 16-18 December 2018. In the lead-up to and during the National Conference, advocacy groups lined up to obtain Labor leadership commitments to their policies. They fully expected Labor to win the 2019 election and, in a crowded field, were conscious of the importance of having their policies adopted for announcement ahead of the election. Otherwise, they risked being squeezed out by other policies or by Labor's adherence to a strong budget bottom line. In effect, these groups were banking the win.

Following Parliament's resumption in February 2019, the Morrison Government was defeated on the floor of the House when Labor combined with several crossbenchers to pass the Medevac Bill for transfers of asylum seekers to Australia in need of medical treatment that was not available on Nauru and Manus Island. In response, the Morrison Government reopened the Christmas Island detention centre, at a cost to taxpayers of $185 million, and began warning the boats would resume under a Shorten Labor Government.

Just before going into caretaker mode, the Morrison Government resolved a split within the Coalition on 9 April 2019 by granting final Commonwealth approval to the Adani coal mine. Labor's response was that it would be guided by the best science, it would not use any taxpayers' money, it would not engage in any sovereign risk and it would adhere to the law of the land.

Compared with the Coalition's announcement of unequivocal support, Adani supporters and opponents continued to view Labor's position as ambiguous. Inner-city voters

expected Labor to oppose the Adani mine while Queensland regional blue-collar voters expected Labor to support it, but Labor did neither.

Labor's culture

The Australia of 2019 is radically different from the Australia that existed when the Labor Party first established its mission. Today, due substantially to the efforts of Labor governments, our society is fairer, more prosperous and more ambitious. However, a significant feature of changes in the political economy of the developed democracies in the 21st Century is a rapid increase in inequality.

Labor's history as a proud social democratic party with roots in organised labour has traditionally dominated the way the party approaches policy making. Labor's policy agenda is heavily weighted towards mobilising the role of government to intervene to promote positive social change for people who are not privileged or wealthy. However, the Australian social democratic project is in a mature form. The public provision of education, health, housing disability and aged care, and income maintenance are well developed. While there are many important gaps in these areas, the numbers of those affected by such improvements are small and typically geographically dispersed.

At the same time, Labor has broadened its political constituency to reflect the growing diversity of society. The Labor Party has become a natural home for these diverse interests and concerns, including gender equality, the LGBTQI+ community, racial equality and environmentalism.

The mobilisation of the Labor Party to address the political grievances of this vast and disparate constituency has accelerated at the same time as many people who would have been regarded as traditional Labor voters have looked to Labor for answers to their problems. Working people experiencing the dislocation caused by new technologies and globalisation could lose faith in Labor if they do not believe Labor is responding to their issues but is focusing on issues not of concern to them, or in some cases, are actively against their interests.

Care needs to be taken to avoid Labor becoming a grievance-focused organisation. This approach leads to a culture of moving from one issue to the next, leading to the formulation of myriad policies that respond to a broad range of grievances.

This dilemma is not limited to the Australian Labor Party but is faced in similar form by left-of-centre parties around the world. In fact, given the fate of the German SDP and the French Socialists it may be argued Labor is doing better than some.

The dilemma is not easy to resolve. It cannot be resolved simply by choosing one constituency over another. Labor cannot abandon its commitment to social justice but it must reconnect with low-income voters in the outer suburbs and regions. This challenge

must be approached pragmatically on an issue-by-issue, region-by-region basis with the confidence that Labor, by drawing on its values, can find a way of building common ground with what, on occasion, appear to be competing constituencies.

Success in resolving this dilemma will first require Labor to acknowledge it exists. It will require Labor to devote the necessary time and energy as a party to address it. This may require Labor to reflect on whether it has the right structures and processes to engage in such a debate. Indeed, while Labor had a leadership group, a shadow expenditure review committee and a shadow ministry to develop and agree on policy, the process appeared to be driven by a desire to draw civil society organisations and progressive constituencies closer to Labor, in an environment where a growing list of these groups had already "banked the win". In effect, Labor was attempting to govern from opposition.

Success is likely to require a campaign culture that is less centralised and encourages a greater diversity of views and more robust internal debates – to reflect the increasing diversity of Labor's constituency from inner-city voters to those living in outer-urban, regional and country communities. Careful attention needs to be paid to the use of language which speaks to people Labor has alienated. Clearly, Federal Labor must find a way of reconnecting with Queenslanders. A stronger regional presence is essential for Labor to be in touch with voter concerns and issues in Australia's regions.

There are sound reasons for confidence – Labor has managed to achieve this in the past and indeed state Labor governments around the nation are demonstrating they can do it today.

Finding 13: *Labor's policy formulation process lacked coherence and was driven by multiple demands rather than by a compelling story of why Labor should be elected to government.*

CHAPTER 3: THE RUN-UP

Managing expectations

Managing expectations is a critical role for any organisation that enjoys a large network of relationships. This is particularly so for political parties in an election campaign. The 2016 election result was heavily influenced by the expectation Labor would not win. This, together with an effective campaign that resulted in Labor winning 14 seats from the Government, created the expectation the 2016 result would be the platform for success in 2019.

The expectation of a Labor victory in 2019 was further informed by 56 consecutive Newspolls by the end of 2018 showing Labor in an election-winning position, seemingly tested and confirmed in by-election victories across a broad cross-section of seats and states.

In the by-elections, Labor was under pressure to hold the seat of Batman against the Greens in March 2018. Yet Labor won with more than 54 per cent of the vote, a substantial swing to it. On "Super Saturday" 28 July 2018, published polls suggested there was every prospect the marginal Labor-held seats of Longman and Braddon would fall to the Liberal Party. For example, a Galaxy poll showed Labor losing Longman 49-51 per cent while Braddon was on 50-50 per cent. On the day of the by-elections, Newspoll had Labor at 51-49 in both seats. In the event, Labor won both by-elections quite easily, feeding perceptions Labor had a superior ground game to the Liberals and was better at social media campaigning.

A more complete assessment of the Batman, Longman and Braddon by-election results would include:

• Disunity within the Greens in Batman, including public criticism by Greens Party members of its candidate;

• The self-destruction of the Liberal candidate in Longman, who had made false claims about a medal he was awarded; and

• The vulnerability of the Liberal candidate in Braddon who had a record of cutting services in the area and the role played by an independent Craig Garland. He won more than 10 per cent of the primary vote and recommended preferences to the sitting Labor MP who, despite a 3 per cent fall in primary vote, enjoyed a small positive swing on a two-party preferred basis.

Nevertheless, Labor had excellent candidates and campaigned well in all three tough by-elections.

Reinforcing an impression published polling was tending to underestimate the Labor vote was the state election result in Victoria. In the weeks before the election on 24 November 2018, published opinion polls had Labor ahead by 52-55 per cent. There were suggestions Labor might form a minority government with the support of the Greens. In the event, Labor secured 57.3 per cent of the two-party preferred vote.

Although published opinion polls had tightened from 54-46 per cent in favour of Labor during the 2018 Liberal leadership crisis, they were consistently at or better than 52-48 per cent during the first part of 2019 leading up to the calling of the election.

At the beginning of the 2019 election campaign, betting agencies had Labor ahead in 20 Coalition-held seats. Closer to polling day, they had Labor at extremely short odds, offering as little as $1.16 for a $1.00 bet, which translates into an 86 per cent probability of a Labor victory. One punter bet $1 million on a Labor win and one betting agency was so confident of a Labor win it paid out backers of Labor two days ahead of polling day.

Finding 14: *There were high expectations of a Labor victory at the 2019 election based on published opinion polls, betting agencies, the party's performance at the 2016 federal election and in key by-elections.*

Finding 15: *High expectations of a Labor victory caused Labor to assume it had a stronger campaign machine and better digital capacity than the Coalition, which proved to be incorrect.*

Finding 16: *High expectations of a Labor victory led to little consideration being given to querying Labor's strategy and policy agenda.*

A further important effect of expectations was on the attitude of advocacy groups. As indicated in the section dealing with Labor's culture, almost the whole of the progressive movement had factored in a Labor victory. This meant much of their campaign effort was devoted to securing Labor's commitment to policies they could later claim as Labor's mandate, rather than defeating the Government. This had the effect of broadening the range of policies Labor had on offer.

Finding 17: *Based on high expectations of a Labor victory, progressive groups "banked the win", campaigning to influence Labor's agenda in government rather than campaigning for victory.*

A related impact of expectations was the decision taken soon after the 2016 election to commit to a fiscal policy framework that would fully offset all policy costs and deliver a materially better bottom line than the Government. This commitment arose from the strongly held belief within the leadership group that Labor's inability to account for the costs of its promises during the final week of the 2016 campaign was electorally costly.

Finding 18: *High expectations of a Labor victory and a desire to secure a mandate for Labor's program in government influenced Labor's decision to announce a bold, expansive and highly detailed policy agenda comprising more than 250 costed policies.*

These two influences created the demand for a large suite of new taxes, including restrictions on negative gearing, a halving of the capital gains tax discount, changes to the tax treatment of superannuation, a tightening of the tax concessions for family trusts, and the withdrawal of franking credit refunds.

Finding 19: *Labor's policies on negative gearing and franking credits were used with other revenue measures to fund large, new spending initiatives, exposing Labor to a Coalition attack that these spending measures would risk the Budget, the economy and the jobs of economically insecure, low-income workers.*

A further effect of not managing these expectations was it shifted the focus of the campaign onto Labor and Bill Shorten and away from the Government. This concealed the Coalition's key weakness – leadership instability.

The competing frames

Having taken control of the Coalition's election campaign, Scott Morrison framed it as a personal contest between himself and Bill Shorten. In Parliament on 26 November 2018, following Labor's resounding win in the Victorian state election, Morrison said to Shorten: "There will be a choice at the next election and it will not be involving any premier of any of the states, it will be between me and you". When announcing the federal election date on 11 April 2019, Morrison said: "You vote for me, you get me. You vote for Bill Shorten, you get Bill Shorten", adding: "We're fixing the Budget. Labor will bust it".

In contrast, Shorten, speaking confidently from a family home in the relatively safe Liberal-held Melbourne suburban seat of Deakin, referred to family, fairness, climate change, power prices, health, education and equality for women. Labor was relying on a series of big-spending announcements and on the climate change policy it had announced the day before the 2019 Budget, together with statements relating to a living wage. Labor circulated to its MPs and candidates a pledge card showing a grid of issues: fix our schools and hospitals; ease pressure on family budgets; stand up for workers; invest in cheaper, cleaner energy; and build a strong economy that works for us all.

Initially Labor's negative message focused on the Government's record of cuts to services and linked these cuts to Morrison's resistance to the Banking Royal Commission and his attempts as Treasurer to cut the corporate tax rate. Later, the emphasis shifted to the chaos of Coalition leadership instability, division on climate change,and preference deals

with Clive Palmer's United Australia Party and Pauline Hanson's One Nation. In effect, Labor had multiple positive messages and two negative messages, which it did not reduce to a coherent voter-choice message in the lead-up to the campaign.

In contrast, the Coalition had a simple positive message - a strong economy evidenced by a return to budget surplus; and a simple negative message - Labor's economy-wrecking policies, trading on Shorten's unpopularity.

Finding 20: *Labor had no clear voter-choice message.*

The Morrison reset

Labor continued its attack on cuts despite the Government having abandoned or reversed many of the 2014 Budget cuts and announced new spending initiatives in 2018 and 2019, largely neutralising cuts as an issue. Labor struggled to persuade media commentators and the voting public that large Coalition cuts remained after these budgets.

Labor's attack on "the big end of town" did not recognise the change of leadership from Turnbull to Morrison, the Government's acceptance of the recommendations of the Banking Royal Commission and its abandonment of the company tax rate cuts for large businesses.

New Prime Minister Scott Morrison was only vaguely defined in voters' minds but the Labor Party had left it to him to colour himself in favourably. Despite Federal Coalition leadership instability figuring prominently in Victorian Labor's state election campaign in November 2018, including billboards featuring leadership protagonists Peter Dutton and Morrison, Federal Labor failed to persist with a concerted campaign against Coalition disunity and Morrison's role in it.

Finding 21: *The change in Liberal leadership was a fundamental shift in the strategic environment, demanding careful analysis and consideration through a formal process, but this did not occur.*

Overall, Labor entered the 2019 federal election campaign with the same approach it had developed before the change of Liberal leadership in August 2018 and the Federal Budget in 2019.

As Sun Tzu said in The Art of War, "the opportunity of defeating the enemy is provided by the enemy himself".

Finding 22: *Labor's campaign failed to capitalise on Coalition disunity.*

CHAPTER 4: BIG CAMPAIGN MOMENTS

The Budget and reply – 2-4 April

In order to hold a general election in time to enable a new parliament to be formed before 30 June 2019, the Morrison Government brought forward the Budget to 2 April. The 2019 Budget essentially adopted Labor's policy of tax cuts for lower-income earners but also proposed flattening the tax scale over several years for incomes between $45,000 per annum and $200,000 per annum.

In an effort to neutralise Labor's advantage in health and education, the Budget adopted Labor's policy on Medicare rebates, announced new policies for people with chronic conditions and provided support for extra hours of preschool education.

In his Budget reply on 4 April, Bill Shorten argued the Government had cut funding to schools and hospitals by $16.8 billion, promising to restore those amounts. He announced a range of further new spending initiatives including a $2.3 billion cancer plan that would eliminate out-of-pocket expenses for cancer patients. He also promised bigger tax cuts for those earning less than $40,000 a year, the same tax cuts as the Government's for middle-income earners, but that Labor would not proceed with the tax cuts for high-income earners the Government promised for 2024, two elections away.

Qualitative research indicated that soft voters gleaned from the Budget that both parties were offering tax cuts, the Budget did not contain any new cuts and was broadly "fair", and the Budget was returning to surplus. The Morrison Government had largely inoculated itself against Labor's attack that the Coalition was making big cuts to services, and the projected surplus assisted Morrison to support a contention about a strong economy.

The kick-off – 10 April

The Government delayed the calling of the election until 10 April, enabling it to use taxpayers' funds to heavily advertise the Budget tax cuts and a projected return to surplus in 2019-20. ALP tracking polling indicates Labor opened the campaign with a primary vote in marginal seats of 37-38 per cent, similar to the Coalition's, and an ALP two-party preferred vote of 51 per cent.

Early Labor stumbles – 15-17 April

Less than a week into the campaign, Labor's primary vote had slipped to 34 per cent and its two-party preferred vote to 47 per cent. The Coalition (falsely) claimed it had Treasury advice Labor would increase taxes by $387 billion over a decade. The ALP had deleted numerous pages of policy content from its website and Bill Shorten misinterpreted a question on superannuation, mistakenly stating Labor had no plans to change its tax treatment, one of the most important policies of the campaign. Further stumbles on the demands for more detailed costings of Labor's climate change policies capped off a shaky start to the campaign. This allowed the Coalition to escalate its "Shifty Shorten" attack, which it had been trialling for 18 months.

Bob Brown's Adani convoy – 22 April

On 17 April 2019, Bob Brown and the Greens departed Tasmania with a convoy that grew through the southern states and arrived in Brisbane on 22 April. From there it travelled into central Queensland. The Adani proposal was popular in regional Queensland seats, but not in inner-urban seats. While Brown's caravan would have been helpful for the Greens, it had the effect of highlighting Labor's ambiguous position on the Adani proposal and enabled the Coalition repeatedly to reaffirm its unequivocal support for the mine.

While Labor's position of requiring the project to secure environmental approvals before it would support it was not unreasonable, given its doubts about the viability of the mine, it was difficult to sustain this nuanced policy in what had become a highly emotive debate. The legacy of the earlier 2010 alliance with the Greens meant Labor was vulnerable to the Coalition's claims Labor shared the Greens' position, which was to oppose the mine outright.

"We're going to look at that" – 23 April

On a visit to Gladstone in central Queensland, Bill Shorten was approached by a coal export terminal worker who said many of them earned $250,000 a year through overtime and evening shifts. The worker suggested: "It would be good to see higher wage income earners given a tax break". Shorten responded: "We're going to look at that".

Labor's policy, as outlined in the Budget reply, was to restore the 2 per cent deficit levy for incomes over $180,000, increasing the tax rate for those taxpayers. The slip or change of position was run heavily in the media. This further fuelled the "Shifty Shorten" narrative. Morrison sought to capitalise on this during the second debate by physically advancing on Shorten, but it backfired when Shorten parried with a "space invader" jibe.

Death tax – 23 April

A subterranean campaign claiming Labor would introduce a death tax had been running on social media for some time, but on 23 April the Liberal Party formally launched its own online advertisement linking Bill Shorten's denial on inheritance tax to Julia Gillard's promise not to introduce a carbon tax. The death tax advertisement, on the Liberal Party's official website and Twitter, ends with the tag line: "Labor. The Bill Australia can't afford".

Labor's pivot to chaos – 25 April

It became obvious the campaign was in difficulty after the first week. The focus on the pledge card's grid of issues was not connecting with the electorate. The cuts message was unpersuasive. This was reflected in research.

It was decided amongst the leadership team a new narrative was needed. The message arrived at by Anzac Day was focused on Coalition disunity or "chaos". It was supported with ALP advertising emphasising Morrison's role in the coup against Turnbull and seeking to link the Coalition with Clive Palmer as their preference arrangements were revealed.

"Shorten spends $230 million per minute" – 28 April

Speaking at an election rally in Melbourne on 28 April, Bill Shorten announced a raft of new spending polices, including $4 billion over four years in increased childcare subsidies, $537 million in pay rises for childcare workers and $2.4 billion to provide age pensioners and Commonwealth Seniors Card holders $1000 in free dental care every two years.

While this was meant to be the payoff from Labor's tax policies, it attracted headlines such as "Shorten spends $230 million per minute" in his 30-minute speech.

According to Labor's own costings, by the end of the campaign it had announced new spending on childcare ($15 billion), preschool and kindy ($8 billion), dental care for pensioners ($9 billion), wage supplementation for early childhood educators ($10 billion), schools ($16 billion), TAFE and universities ($10 billion) and affordable housing ($9 billion). Labor had announced more than 250 costed policies.
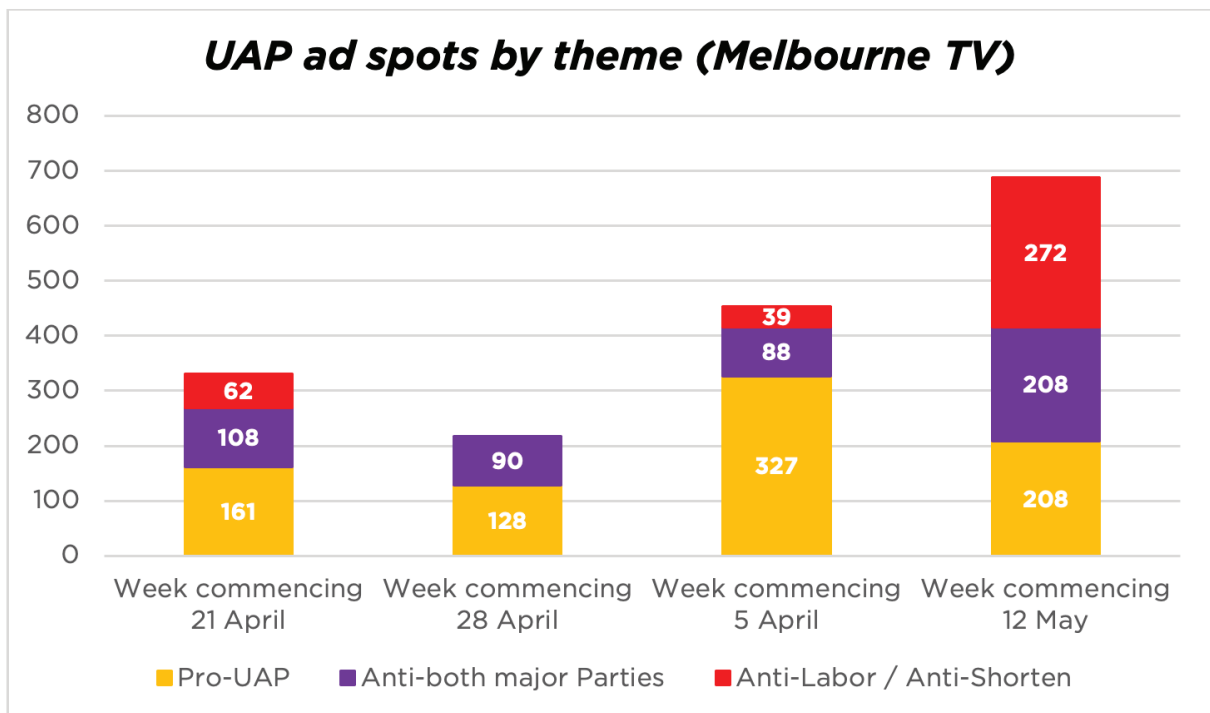
These announcements were too late to sell on the ground and played directly into the Coalition's narrative of big, risky spending that would have to be paid for with big economy-wrecking taxes.

Clive Palmer's blitz intensifies – 5 May

Clive Palmer's advertising campaign began in 2018 when his yellow "Make Australia Great" billboards began blanketing Sydney and Brisbane. During the early period his advertising promoted his newly-formed United Australia Party. In the early part of the 2019 election campaign Palmer's advertisements attacked the Liberal Party as well as the ALP. But following a preference deal with the Coalition in January, Palmer had agreed that in the final period of the election campaign he would switch his attack exclusively to Labor.

During the six-week period to polling day, Palmer spent more on advertising than the ALP and the Liberal Party combined, widening the gap from the week beginning 5 May, focusing his personal attack on Bill Shorten (Chart 5).

Chart 5: United Australia Party advertising spots April-May 2019

UAP ad spots by theme (Melbourne TV)

	Pro-UAP	Anti-both major Parties	Anti-Labor / Anti-Shorten
Week commencing 21 April	161	108	62
Week commencing 28 April	128	90	
Week commencing 5 April	327	88	39
Week commencing 12 May	208	208	272

Source: Industry analysis of Palmer-funded United Australia Party advertising

Bill Shorten's mother – 7 May

Bill Shorten's mother was and remains a powerful influence on his life. He frequently spoke lovingly of her and her thwarted career ambitions. He used this to explain his motivation to eliminate all forms of discrimination, especially that experienced by mature-aged women. Inexplicably, the NSW newspaper, The Daily Telegraph, ran a story under the banner headline entitled "Mother of all invention", asserting Shorten had misrepresented his mother's career achievements, which was demonstrably false.

Shorten's response was emotional and powerful and represented one of the high points in his campaign. In one moment he gave voters a real insight into his motivations for seeking public office.

Scott Morrison's campaign launch – 12 May

The Liberal Party's campaign launch was held on Mother's Day. It was sparse, unglamorous, focused on family, pitching to quiet and hardworking Australians. The ideological centrepiece was reward for hard work. The policy centrepieces were a reprisal of tax cuts and a new policy of a first homeowners' deposit scheme, which Labor neutralised by matching it.

Shorten's response to the Folau issue – 14 May

Out of left field, social media exploded with news Israel Folau had posted on Instagram his view that homosexuals amongst other sinners would go to hell. Rugby Australia took this matter seriously, acting on a code of conduct provision in Folau's contract that required its players to refrain from discriminating on the basis of race, religion or sexuality. Rugby Australia argued the breach of this provision permitted it to terminate Folau's contract to play Rugby. This triggered a debate about religious freedom and hate speech.

Bill Shorten called Scott Morrison out on his failure to condemn Folau's remarks. This led to Shorten defending criticism he was seeking to embarrass Morrison because of his religion.

It's time rally – 15 May

The campaign rally in a Blacktown hall – the site of Gough Whitlam's successful 1972 campaign launch – projected triumphalist images and messages of radical change, which played into the Coalition's narrative about Labor being a risk.

Bob Hawke's death – 16 May

Former Labor Prime Minister Bob Hawke passed away in the early evening of 16 May. Bill Shorten addressed the media at the Opera House, paying tribute to Hawke and expressing his condolences to his family. He announced, out of respect for Bob, he would not be campaigning the next day. Scott Morrison however spent the final day, including the day of the election, blitzing crucial marginal seats.

Finding 23: *Despite some early slips, Labor leader Bill Shorten performed solidly during the campaign, including bettering his rival in three debates.*

Finding 24: *The almost-daily announcements of new spending policies left little room for campaigning against the Coalition.*

Finding 25: *Labor's constant flow of new spending announcements during the campaign became counterproductive, as they competed against each other and added to perceptions of a risky program.*

CHAPTER 5: WHOSE VOTES SHIFTED?

Election on a knife-edge

On the night before the election, Labor's tracking poll had the two parties locked at 50 per cent each in the key battleground electorates. Labor's 2016 two-party preferred vote in the seats the track was surveying was 48.7 per cent - suggesting a modest swing to Labor of just over 1 per cent. Labor was on a primary vote of 36 per cent, the Coalition was on 39 per cent. Importantly, Labor's two-party preferred vote in the track did not exceed 50 per cent at any time in the final 12 days of the election campaign.

Yet the final Newspoll of the campaign reported Labor widening its lead to 51.5 per cent to the Coalition's 48.5 per cent. And on polling day, a Nine exit poll had Labor winning the election, 52-48 per cent with a primary vote of 38 per cent.

Coalition returned to power

The Coalition Government was returned to power, winning 77 seats (+1) to Labor's 68 seats (-1). The Coalition's two-party preferred vote was 51.5 per cent to Labor's 48.5 per cent.

Labor's primary vote in the 2019 election was just 33.3 per cent, a full 10 percentage points below its primary vote in the 2007 election. This continued a long-term slide in Labor's primary vote (Chart 6). Labor's 2019 primary vote was its lowest in 85 years.

Chart 6: Primary vote of Labor and minor parties 1990-2019 (per cent)
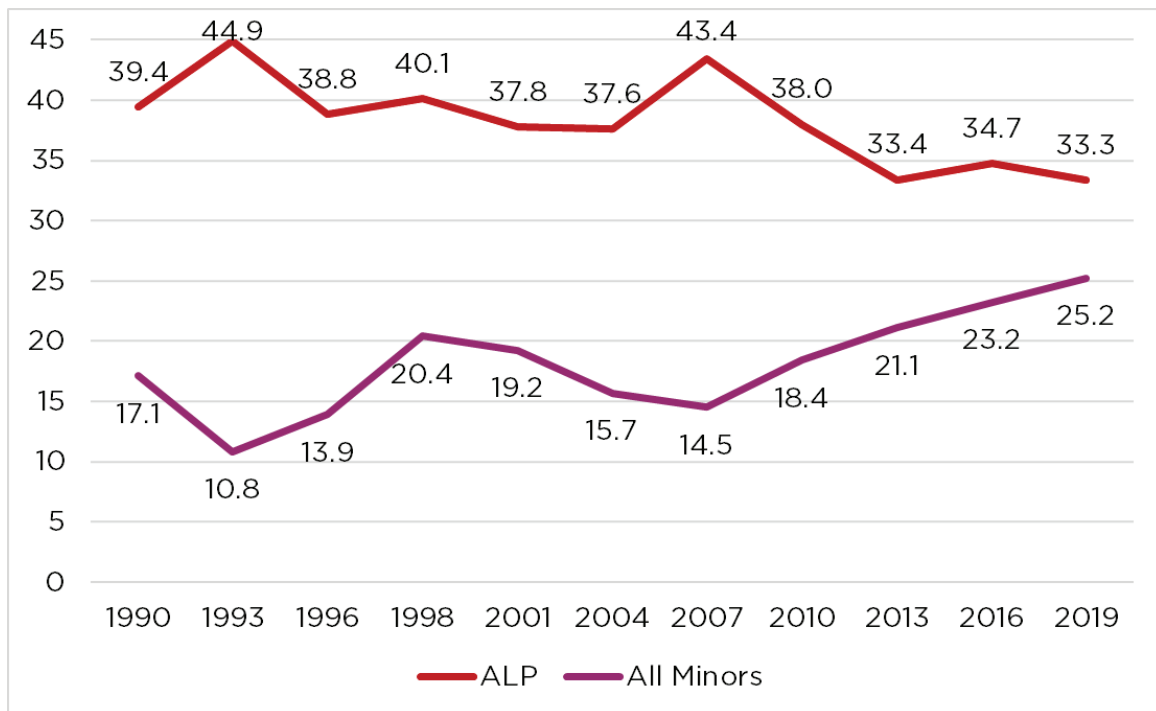
Nevertheless, Labor lost only one seat in net terms while the Coalition gained only one, for an outcome of 77 seats to 68 seats. To win the next federal election, Labor needs to achieve a net gain of five seats. This is made more challenging by the fact Labor holds most of the marginal seats.

In the Senate, the Coalition gained five seats and Labor was unchanged. This left the Coalition with 35 seats to Labor's 26 seats. With Cory Bernardi's vote assured on almost all occasions, the Coalition is just three votes short of a Senate majority.

Where the shifts occurred

State by state

Table 2 shows the biggest anti-Labor swings occurred in Queensland (-4.34 per cent), the Northern Territory (-2.86 per cent), South Australia (-1.56 per cent) and Tasmania (-1.40 per cent). Victoria (+1.31 per cent) and the ACT (+0.48 per cent) swung to Labor.

Table 2: Two-party preferred swing to Labor by state and territory (per cent)

State or territory	ALP 2PP	Swing to ALP 2PP
VIC	53.14	+1.31
ACT	61.61	+0.48
WA	44.45	-0.89
NSW	48.22	-1.25
TAS	55.96	-1.40
SA	50.71	-1.56
NT	54.20	-2.86
QLD	41.56	-4.34
National	48.47	-1.17

Source: Australian Electoral Commission data

Finding 26: *Queensland swung strongly against Labor while Victoria swung to Labor.*

In Queensland, Labor's primary vote was 26.7 per cent and in Western Australia it was 29.8 per cent. Labor now holds only 11 of the 46 seats in Queensland and Western Australia.

Labor won only one Senate seat in Queensland, its worst result since the present system of Senate representation began in 1949.

Of the last seven times Labor has formed government, it has won a majority of seats in Queensland five times. Labor won a bare majority of seats in Queensland when it won government in 2007 (15 out of 29 seats) and has not done so since then. In 2019, Labor won just six of Queensland's 30 seats.

Finding 27: *Labor won only 20 per cent of seats in Queensland in the 2019 election and it has proven very difficult for Labor to win a federal election without performing better in Queensland.*

Labor's position on Adani sent a message to workers and their families in central and north Queensland that Labor did not value them or the work they do, a problem magnified by the Stop Adani Convoy. A perception Labor was not supportive of the mining industry may have also damaged the Party across the rest of Queensland.

Labor had high hopes for Western Australia coming into 2019. In the 2016 federal election, Labor gained two seats in Western Australia and recovered from the historical low points of the 2010 and 2013 federal elections, where the state returned only three Labor members. In March 2017, Mark McGowan led WA Labor back into power off the back of a 12.8 per cent two-party preferred swing, securing the largest majority in Western Australian parliamentary history.

At the end of 2017, Labor selected its Western Australian candidates for the next federal election and identified five Liberal-held target seats: Hasluck, Swan, Pearce, Stirling and Canning. Labor's early campaign efforts concentrated on delivering a fairer share of GST revenue and Commonwealth infrastructure investment to Western Australia. The political salience of this campaign faded after an overhaul of the GST distribution was passed by the Senate in November 2018. Ultimately, Labor did not gain any seats from the Liberals and suffered a -0.89 per cent statewide swing. Anti-Labor swings were strongest in Perth's outer suburbs, while there was a small swing towards Labor in more affluent suburbs closer to the city.

Swings against Labor in the northern Tasmanian electorates of Braddon (-4.82 per cent) and Bass (-5.83 per cent) resulted in the defeat of incumbent Labor MPs Justine Keay and Ross Hart. In Lyons, the Liberal Party was forced to disendorse its candidate following inflammatory social media comments. There is no reason to assume a similar swing would not have delivered a Liberal victory in Lyons had this controversy not derailed the Liberal campaign.

The swing against Labor was driven by a mix of national and local dynamics. The Labor-Greens agreement that underpinned the minority state Labor government in Tasmania from 2010 to 2014 remains a sore point for many voters in northern Tasmania, who view the Greens as implacably hostile to their interests, values and livelihoods. For a Labor candidate in northern Tasmania, any perception a vote for Labor could lead to more power and influence for the Greens is very damaging.

The Liberals' campaign in northern Tasmania also misrepresented Labor's support for a Tasmanian-based AFL team and support for the Tasmanian tourism industry as being Hobart-centric. Labor's campaign did not overcome the resentment this generated in the north.

Inner-city, outer-urban, regional and country

Labor gained a swing of 1.1 per cent in inner-metropolitan seats. However, there were swings of 2.0 per cent against Labor in outer-metropolitan seats and large swings of 2.7 per cent and 2.6 per cent against Labor in provincial and rural seats respectively.

Table 3: Two-party preferred swing to Labor in metropolitan and non-metropolitan seats (per cent)

State or territory	Average TPP swing to ALP 2010-13	Average TPP swing to ALP 2013-16	Average TPP swing to ALP 2016-19
Inner Metropolitan	-2.06	+1.78	+1.12
Outer Metropolitan	-3.63	+4.01	-1.96
Provincial	-3.87	+3.72	-2.70
Rural	-4.13	+3.31	-2.59
Total	-3.61	+3.13	-1.17

Source: Australian Electoral Commission data

Finding 28: *Outer-metropolitan, provincial and rural Australia swung against Labor while inner-metropolitan areas swung to Labor.*

When did they make up their minds?

There is some evidence the Coalition benefited from a late swing to it, mostly gained from voters who were planning at the beginning of the election campaign to vote for one of the conservative minor parties (Biddle 2019). However, methodological concerns have been expressed about this study (Bonham 2019).

An Essential Research (2019) study estimates more than one-quarter of voters made up their minds in the last week of the campaign, with 40 per cent of these late-deciders voting for the Coalition and 31 per cent voting for Labor.

Yet an ABC analysis conducted by Antony Green and posted on Twitter on 13 October 2019 demonstrates Labor won the vote on election day but lost on the votes cast before election day.

Which voting groups shifted?

In the weeks and months following the election, several published and unpublished studies have sought to understand the demographic traits associated with the swings to and from the major parties. Nick Evershed (2019) found electorates with a high proportion of high-income, well-educated or recent migrants swung to the ALP, while those with a high unemployment rate or containing coal mines swung against the ALP.

Ben Phillips (2019) came to a similar conclusion, finding electorates with a higher proportion of people with university degrees or earning above $100,000 per annum swung to the ALP, while areas with a high proportion of Christians swung away from the ALP. Phillips concluded the Queensland-only swing was not significant when controlling for various demographic indicators.

On Labor's tax policies, Nick Evershed found: "… electorates with larger numbers of people receiving franking credit refunds or making use of negative gearing on properties were less likely to swing to the Coalition."

The review commissioned an ALP internal statistical analysis of categories of voters who swung from and to Labor to more fully understand the demographic swings at the 2019 election. We are able to determine voting patterns at the SA1 level, the smallest grouping reported by the ABS.

Using this rich dataset, the internal statistical review determined voting patterns by running various regression models designed to isolate the effects of one variable while holding all others constant. The variables included were: age, weekly household income, educational attainment, unemployment rate, net rental loss, franking credits, place of ancestry and religious identification. The main findings are described below.

When all other variables were controlled for, SA1s with a high proportion of the following groups were associated with a swing against Labor:

• Voters aged 25-34 years living in outer-urban and regional areas;
• Christians;
• Coal mining communities;
• Chinese Australians; and
• Queenslanders.

There is overlap between some of these groups, such as Christians living in Queensland and mine workers aged 25-34 years. However, each characteristic was an independently statistically significant contributor to the anti-Labor swing.

When all other variables are controlled for, voters in the 25-34 year age group swung strongly against Labor, with an estimated swing of 4 per cent.

Finding 29: *Economically insecure, low-income voters in outer-urban and regional Australia swung against Labor.*

Christians are defined as those who identified themselves as being of the Christian faith in the 2016 Census. They do not include secular Australians who were Christened or Baptised but no longer identify themselves as Christians. In some way or other, the group called Christians practise their religion.

When all other variables are controlled for, it is estimated that identifying as Christian was associated with a swing against Labor. While the statistical analysis did not break down Christian voters into sub-groups, it appears from electorate-based evidence the most pronounced swings were among devout, first-generation migrant Christians.

Finding 30: *Some groups of self-declared Christians swung against Labor.*

Between them, up to 400,000 voters in these two groups changed their votes at the 2019 election.

Coal mine workers and those working in allied industries such as wholesale trade, electricity, gas, water and waste, manufacturing and agriculture, forestry and fishing swung strongly against Labor. These voters contributed heavily to Labor's loss of Herbert and to big anti-Labor swings in the Coalition-held Queensland seats of Capricornia, Dawson and Flynn, as well as in the Labor-held Hunter Valley seats of Hunter, Shortland and Paterson.

A swing by Chinese Australian voters against Labor of more than 2 per cent nationally may have had localised consequences, with the Liberal Party retaining Reid and Chisholm despite departing sitting members.

Finding 31: *Chinese Australian voters swung against Labor in strongly contested seats.*

The group that swung strongly to Labor was voters with university degrees or higher. Tertiary-educated voters explain much of the pro-Labor swing in Victoria. The Melbourne seats of Kooyong, Higgins, Macnamara and Goldstein all swung strongly to Labor. These types of voters also help explain the swing to Labor in the ACT and why, in Queensland – despite the state as a whole swinging savagely against Labor – the Party enjoyed small swings to it in the Brisbane inner-metropolitan seats of Ryan, Griffith and Brisbane.

Finding 32: *Tertiary-educated, higher-income Australians swung strongly to Labor.*

Senate voting

Historically Labor has recorded a primary vote in the Senate that is slightly lower than in the House of Representatives. The gap has been increasing over time, and at the 2016 and 2019 federal elections it grew to more than 4.5 per cent.

Chart 7: ALP House and Senate primary vote share 1990 to 2019 (per cent)
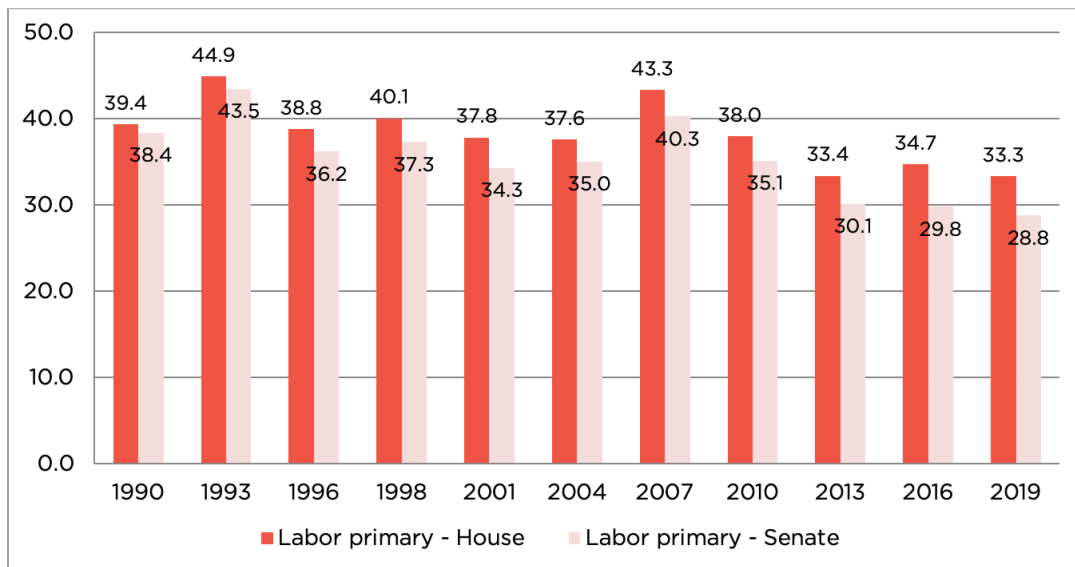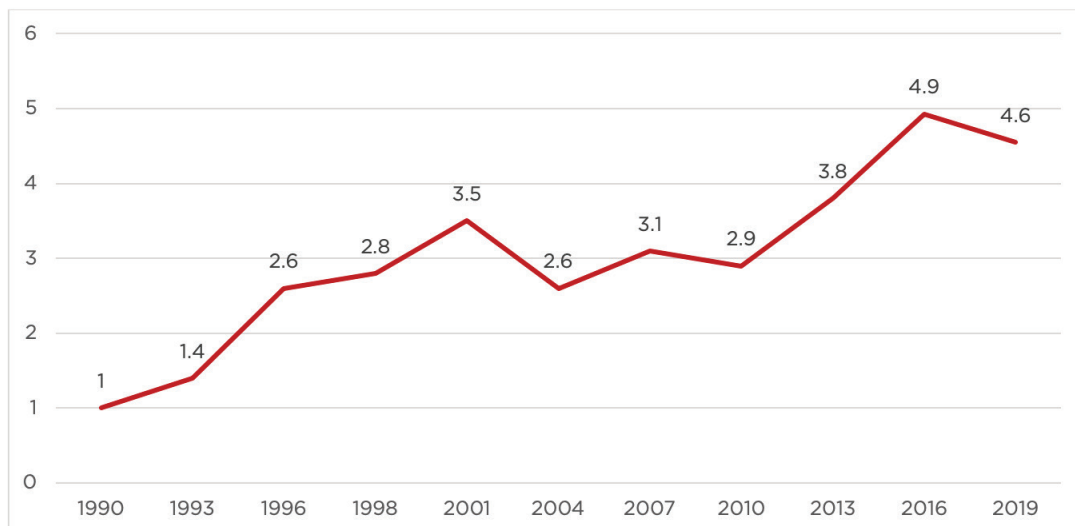

Chart 8: Divergence of ALP House and Senate primary vote share 1990 to 2019 (per cent)

A direct consequence of this gap is fewer Labor Senators – most notably where Labor is only successful in electing one Senator from a state at a half-Senate election, as occurred in South Australia in 2013 and Queensland in 2019. Fewer Labor Senators inevitably means it is easier for Coalition governments to pass regressive legislation, a dynamic that has already become clear in the 46th Parliament.

The gap between Labor's primary vote in the House and the Labor vote in the Senate is largest at booths that traditionally record very strong support for Labor, and in electorates Labor holds by substantial margins. Targeted campaign engagement in these communities can have an impact and lift Labor's Senate vote. In smaller states where the number of votes in each Senate quota is naturally lower, Senate campaigning can have a material impact.

__Finding 33:__ The growing gap between Labor's primary vote share in the House and the Senate is causing fewer Labor Senators to be elected, which makes it easier for the Coalition to pass regressive legislation. This gap is greatest in relatively safe Labor-held electorates.

CHAPTER 6:
EXPLAINING THE SWINGS

The groups that shifted away from Labor

Economically insecure, low-income voters

Labor lost support amongst its traditional base of lower-income working people. Economically vulnerable workers living in outer-metropolitan, regional and rural Australia have lost trust in politicians and political institutions. Not only are they alienated from the political process, they are too busy working and caring for their families to be concerned with issues they consider irrelevant to their lives. Indeed, they are often resentful of the attention progressive political parties give at their expense to minority groups and to what is nowadays called identity politics.

The media often described these types of voters as "Howard's Battlers" during the 1990s and 2000s – until he inflicted WorkChoices on them. Today, the Coalition seeks to label them Scott Morrison's "Quiet Australians". They are the same demographic that swung against the Democrats towards Donald Trump in 2016 and who are ditching progressive parties around the western world.

Labor's suite of policy offerings was largely designed to benefit these voters. But the large number and size of them crowded each other out, making it impossible for voters to absorb them and for local campaigns to promote them.

Finding 34: *The sheer size, complexity and frequency of Labor's policy announcements had the effect of crowding each other out in media coverage and made it difficult for local campaigns to communicate them to their voters.*

The Coalition ran effective advertisements with the messages "Labor can't manage money so they are coming after yours" and Bill Shorten was "the Bill Australia can't afford". None of Labor's tax measures were targeted at these economically insecure, low-income voters, but the Coalition bundled them together as a huge tax grab that risked crashing the economy and with it, their jobs.

Several real estate firms joined the fray, sending formal-looking letters to renters in the final days of the campaign, warning their rents would be increased if Labor won and its negative gearing policy came into force.

Finding 35: *The almost-daily campaign announcements of new, multi-billion-dollar policy initiatives raised anxieties among economically insecure, low-income voters that Labor's expensive policy agenda would crash the economy and risk their jobs.*

Having railed against "the big end of town" throughout the parliamentary term and during the election campaign, Labor did not have a persuasive economic growth story. It allowed itself to be positioned as being anti-business – and yet Labor's Australian Investment Guarantee gave it a lower effective tax rate than the Coalition for businesses making new capital investments.

The Australian Investment Guarantee was a highlight of Labor's official campaign launch but did not feature strongly throughout the campaign. The lack of emphasis on this policy, combined with Labor's anti-business rhetoric, allowed its policies to be framed as entirely redistributive. While this was popular within the Party's membership, it reinforced perceptions every dollar spent on a new social policy was a dollar taken from someone else through extra taxation. This was very different positioning to the Hawke, Keating, Rudd and Gillard Governments, all of which had an economic growth story.

The whole economic strategy of the Hawke and Keating Governments was designed to promote growth, and through it, job creation. They broadened the tax base to cut the rates. Referring to their reforms during the 2019 federal election campaign, Bob Hawke and Paul Keating wrote:

> *"Almost 30 years of strong compound economic growth has produced what you would expect it to produce – a massive increase in national wealth. And that wealth has seen a 70 per cent increase in real wages since the reforms of the late 1980s and early to mid-1990s."*

While Hawke and Keating spoke of economic growth and Scott Morrison referred constantly to "having a go" and "getting ahead", Labor's redistributive policy program was not coupled with a story of job creation or allowing reward for effort. Labor's philosophy was for government to offer to fix people's daily problems while the Coalition's was to give them the capacity to fix them on their own.

Finding 36: *Labor did not craft and convey a persuasive jobs and economic growth story that augmented its mission to reduce inequality.*

Christian voters

Internal polling confirms when Scott Morrison became Prime Minister in August 2018 he was not well known by voters. He set about defining himself, at first, as a daggy, baseball cap-wearing dad, but then, as the election campaign itself unfolded, as a devout Christian. Most conspicuously, Morrison was filmed praying, arms aloft, in his local church on Easter Sunday. These images were a prominent feature of the remainder of the campaign, with Morrison speaking openly about his Christian faith.

In contrast, Labor as a whole did not project an image that was appealing to devout Christians. Announcing Labor's sexual and reproductive health strategy 10 weeks from the election enabled conservative groups to target Christian voters in marginal electorates around the country, and in traditionally safe Labor seats in western Sydney.

The Party would be wise to reconnect with people of faith on social justice issues and emphasise its historic links with mainstream churches. Whether Labor's campaign for marriage equality affected its standing with people of faith is a moot question, but it is noteworthy that even after an overwhelming "Yes" vote, Morrison abstained in the parliamentary vote on the enabling legislation. In pointing this out, we are not suggesting Labor should have positioned itself as opposing marriage equality,

More generally, the rise of the Christian Right within the Liberal Party and Morrison's elevation to the Liberal leadership will ensure the Liberals will continue to connect with devout Christians.

Coal mining communities

Having been released ahead of the 2019 Budget, Labor's comprehensive climate change policy featured prominently in the lead-up to and during the early weeks of the 2019 election campaign.

The Coalition's media and digital campaign against Labor's climate change policy initially focused on its target of 50 per cent of vehicle sales by 2030 being electric vehicles. This campaign sought to convince young men, especially tradies, they would be required to give up their utes and four-wheel drives, when no such policy existed. It was an early indication of the Coalition's plan to target economically insecure, low-income voters with negative messages about Labor.

The Coalition's attack then moved to assert Labor's climate change policy was not costed. Labor's inability to respond effectively played into the Coalition's characterisation of Labor as a risk.

Labor did not effectively discuss the cost of not acting on climate change or the job opportunities a transition to a renewable energy future could bring. It was impossible for

Labor to overcome this long-term strategic deficit during the election campaign. Mining communities viewed the language of climate change as a threat to their jobs.

The anti-Adani campaign entrenched the view in Queensland mining communities that the progressive parties considered their jobs unworthy, reinforcing the divide between "self" and "other", where the "other" were southerners telling Queenslanders how to live their lives. The entire communities of central and north Queensland reacted savagely to this perception, voting strongly against Labor and the Greens.

For similar reasons the coal mining communities of the Hunter Valley in NSW swung strongly against Labor.

Finding 37: *Labor's climate change policy won the Party votes among young and affluent older voters in urban areas.*

Finding 38: *Labor's ambiguous language on Adani, combined with some anti-coal rhetoric and the Coalition's campaign associating Labor with the Greens in voters' minds, devastated its support in the coal mining communities of regional Queensland and the Hunter Valley.*

Federal Labor in Queensland

Labor's vote in Queensland has been in decline since Kevin Rudd, a Queenslander, was elected Prime Minister in 2007. Queensland electorates as a whole have more Christians, economically insecure voters and coal mining voters than other parts of Australia, which helps explain the strong anti-Labor swing in the state. But the internal statistical analysis we commissioned confirms there is a broader anti-Labor sentiment in Queensland not explained by these characteristics. Queenslanders voted against Labor in 2016 and by more in 2019, leaving the Party holding only six of the state's 30 seats.

In the 2016 federal election, One Nation preferenced Labor in the Coalition-held seats of Longman and Herbert, which Labor won. In the 2019 election, One Nation preferenced the Coalition in almost every marginal seat. Palmer's United Australia Party only contested one seat at the 2016 election but contested many in the 2019 election, preferencing the Coalition in all seats. These preference arrangements further explain the anti-Labor swing in Queensland, but they also raise the question of why so many Queensland voters declined to give their first-preference vote to Labor.

The groups that shifted to Labor

University graduates

The average swing to Labor in 2019 in the 20 seats with the highest representation of university graduates was +3.78 per cent. This contrasts with an average swing of -4.22 per cent against Labor in the 20 seats with the lowest representation of university graduates. Since university graduates, on average, earn higher incomes and have more secure jobs than those without tertiary qualifications, they are more readily able to think about issues such as climate change, refugees, marriage equality and the rights of the LGBTQI+ community.

Labor gained support among these voters at the 2019 election, but not enough to win any extra seats beyond the notionally Labor Victorian seats of Dunkley and Corangamite. Nevertheless, it is important to Labor's future success as a progressive party that it retains these voters. Labor cannot and should not abandon principled positions on issues such as climate change and non-discrimination on the basis of race, religion and sexuality, although it might find language that is not capable of being characterised by its opponents as a threat to other voters.

What role did the Coalition play?

One of the biggest drivers of change in voter allegiance was the change in Coalition leader from Malcolm Turnbull to Scott Morrison. Many of the groups that switched in the 2019 campaign reflect the electoral appeal of these leaders to different demographic groups in the community. This is true of the vote trends in inner-city areas compared to outer-urban areas, shifts between states, and with specific groups such as certain Christians and mining communities. While Labor could not have influenced this change, its campaign could have responded to it but did not do so.

Among Labor's suite of tax policies, the crackdown on negative gearing and the withdrawal of franking credit refunds were the most controversial. The internal statistical analysis we commissioned has not been able to identify either of these as significant vote changers in their own right. Voters who utilise the negative gearing tax concession are better off, on average, than the rest of the voting population. Similarly, self-funded retirees are major recipients of cash refunds for franking credits. Overall, better-off voters swung towards Labor.

However, the Coalition and its allies ran scare campaigns based on these and other tax policies. These campaigns were targeted not so much at high-income earners but at economically insecure, low-income voters. The generalised campaign against Labor's tax policies was a claim the increased tax take would crash the economy and risk their jobs. The campaign against the negative gearing changes was directed mainly to renters, with the Coalition and real estate firms advising them their rents would rise if Labor won the election.

The Coalition badged the franking credits policy as the "retirees' tax", as if it applied to age pensioners as well as self-funded retirees. Then the Coalition and its allies morphed the "retirees' tax" into a "death tax", campaigning strongly on Facebook, in other social media, on Messenger and on conversational platforms used by culturally and linguistically diverse communities such as Wechat.

Finding 39: *Voters most likely to be affected by Labor's franking credit policy swung to Labor. Economically insecure, low-income voters who were not directly affected by Labor's tax policies swung strongly against Labor in response to fears about the effect of Labor's policy agenda on the economy, fuelled by the Coalition and its allies.*

What role did Clive Palmer play?

Following a preference deal with the Coalition, Clive Palmer dovetailed his $70 million advertising spend with the Liberal Party's in the final two weeks of the campaign, moving his attack to Bill Shorten as "Shifty Shorten" and, in Western Australia, to a bizarre claim the McGowan Government sold an airport to China for $1.00.

Palmer's advertising blitz strongly amplified the Coalition's anti-Labor message to economically insecure, low-income voters. In focus groups of soft voters, Palmer was described in the most derogatory terms, helping explain the poor vote he and his party received, but his blitz against Shorten took its toll on Shorten's leadership standing.

Finding 40: *The large size and targeted nature of Clive Palmer's campaign had a significant negative effect on Bill Shorten's popularity and on Labor's primary vote.*

The emergence on the Australian political scene of high-wealth individuals who deploy substantial financial resources to influence the outcome of elections must be resisted. Money can distort democracy. A policy response from Labor should be pursued despite the difficulty of success in this Parliament.

As occurred in the 2016 US election, social media platforms were used in the 2019 Australian federal election to carry messages that were entirely untrue, best exemplified by references to a death tax and Palmer's claim the McGowan Government sold an airport to China for $1.00. Unchecked, this practice is likely to feature more prominently in future federal elections.

We recommend spending caps and truth in political advertising legislation based on the South Australian model be investigated and pursued in the Australian Parliament. Reforms to electoral laws are further discussed in Chapter 10.

What role did Pauline Hanson play?

Pauline Hanson's One Nation Party polled well in Queensland, especially in regional and outer-urban seats, and also in the Tasmanian seat of Braddon. One Nation's decision to preference the Coalition in the seats of Longman and Braddon probably cost Labor those two seats. In the other Queensland regional seats of Herbert, Capricornia, Dawson and Flynn, Labor's primary vote fell while the Coalition's primary vote rose. While the anti-Labor swings in these seats were exacerbated by One Nation preferences, it would be hard to conclude One Nation preferences cost Labor any chance in those seats.

Finding 41: The preferences from Pauline Hanson's One Nation Party assisted the Coalition in winning the Queensland marginal seat of Longman and the Tasmanian marginal seat of Braddon.

CHAPTER 7: LABOR'S RESEARCH PROGRAM

The failure of published polling to predict the result of the 2019 federal election has shaken public confidence in the polling industry.

Similarly, the failure of the Labor campaign to counter the high expectations of a Labor victory left many in the Party asking what went wrong with Labor's research, and whether the polling was to blame.

Key principles

The review has had the benefit of submissions, interviews and in-depth engagement from research providers, industry professionals, current and former Party officials, and experts in the field. From these engagements we have nominated the following four principles as guiding Labor's future research program:

1. The research program should commence with an exploration of the political landscape and then narrow as research defines options for Labor's strategy.

2. Strategic principles should be developed and defined through research before the program shifts its focus to policies, electorates and implementation.

3. The various components of a research program should collaborate, including testing research findings across research methodologies.

4. The research program is an ongoing project which follows a three-year cycle, rather than a task to be approached in the lead-up to an election campaign.

Labor's research program

The ALP campaign had an extensive research program for the 2019 election, commencing in 2016. This program was innovative and adaptive, bringing to the campaign new research techniques and experiences.

Quantitative research drew upon field work conducted through robo-polling, live telephone interviews and online surveys. Field work included large sample, multi-wave surveys of a wide range of seats across the country, electorate-level polls and the nightly campaign tracking poll.

The quantitative program placed a high priority on seat-level results and less on the development of strategy or message testing. This occurred in the context of the tactical pressure created by parliamentary instability and by-elections but represented a missed opportunity.

The multiplicity of research methods also introduced a degree of complexity that was not present in previous campaigns, with a wide range of methods and findings. A multi-level regression and post-stratification (MRP) project was introduced to bring together data from across different quantitative methods and provide some assurance around the results, but it is arguable that this simply added another data point to a messy picture.

The qualitative research program commenced in late 2016 and continued through to the final days of the campaign. It was run with a high degree of cooperation with state and territory branches, which were afforded regular and systematic opportunities to participate in the program. The qualitative research providers were kept at arm's length from the quantitative research providers. This separation was designed to ensure research findings were not contaminated.

Finding 42: *Labor brought an extensive research program to the 2019 campaign that had performed well in by-elections and introduced innovative techniques into political campaigns.*

While the qualitative program started early, the early focus groups spent significant time responding to advertising concepts in preparation for a potential early election. This was indicative of a broader tendency within the research program to allocate scarce resources to dealing with tactical pressure. At the same time, over the course of the qualitative program, a growing divide between strategic decision-making and the research emerged. On occasions, the qualitative research program was left to research strategic decisions that had already been made, rather than inform policy development.

Finding 43: *The constant pressure to be ready for a potential early election caused the research program to focus overly on estimating electorate-level outcomes and testing advertising.*

Three challenges that limited its effectiveness

The research program faced three critical dynamics that limited its effectiveness. Each of these challenges exacerbated the other two, leading to strategic campaign decisions being made without the thorough research examination that should have occurred.

First, the publicly available Newspoll figures had a persistent technical error that overstated Labor's primary vote, understated the Coalition's primary vote and consistently suggested Labor was in an election-winning position. While the YouGov campaign track had a similar

but smaller error, the fact the campaign track reported a Labor two-party preferred vote that was less optimistic than published polling every night of the campaign, provided warnings about key problems for the campaign. Seat polling conducted during the campaign also provided early warning Labor's campaign was struggling, particularly in regional Queensland. However, the persistent Labor lead in Newspoll (and other published polls) created a mindset dominated by high expectations of a Labor victory, and this affected the Party's ability to process research findings that ran counter to this.

Second, there was a lack of integration between the various research elements. Research methods and providers were not exposed to robust interrogation where there were inconsistencies or differences in their findings. Instead, when inconsistencies arose, the campaign's response tended to be to interrogate and analyse the accuracy of individual research findings. This was particularly the case where the research findings were inconsistent with published polling.

Third, as we noted in Chapter 1, the research program was not embedded in the strategic decision-making of the campaign. Decisions in favour of policy continuity after the 2016 election, and a view that turbulence within the Parliament and the Government could lead to an early general election, meant strategic options were continually being framed by tactical pressures. This left the research program focused more on the tactical implementation of decisions already taken, rather than building a strategy that could inform campaign planning and tactical decisions.

Finding 44: Labor did not use its research program to develop a set of strategic principles to guide the 2019 campaign. Some major strategy decisions were made without reference to research, which left research to focus on the tactical implementation of decisions already taken.

Finding 45: An industry-wide failure resulted in polling consistently overestimating the Labor vote and underestimating Coalition support. Labor struggled to process internal research that ran counter to its expected win.

Finding 46: The multiple research methods were not subjected to robust debate that could have resolved inconsistencies among them.

Research to inform decision-making

A research program underpins a wide variety of decisions in a campaign, from the fundamentals of campaign strategy and message through to tactical questions such as resource allocation amongst local campaigns. Robo-polling was a crucial part of the research program in the formative period. Robo-polls are not able to undertake sophisticated message testing, map attitudes and report open-ended responses from participants. As the campaign progressed, much of the quantitative research program was

focused on seat-level results rather than identifying and testing the fundamentals of the campaign messaging. At the same time, the qualitative program became dominated by testing of advertising.

This approach seems to have been driven by:

• A question about the value for money of expensive quantitative research;
• The pressure to prepare for a possible early election and provide an accurate view of target seats; and
• A growing separation of policy development from the research program.

The pressure to focus on an impending early election meant the research program was often focused on measuring Labor's current position in seats rather than identifying strategic underpinnings. Seat results are always helpful, but by themselves, identify the problem and not the opportunities to progress. While seat results are always interesting to observers outside of the campaign leadership, they are less helpful to participants.

Was the research accurate?

An assessment of the accuracy of the research is difficult to make, even with the benefit of hindsight. There were inaccuracies in the quantitative research program, most notably in the campaign track. The National Secretariat's technical review of the quantitative work conducted for Labor during the campaign has provided the Party with a clear assessment of the relative strengths and weaknesses of the different quantitative methods deployed by the research program.

Notwithstanding these inaccuracies, the research program (including the track) continued to identify key strategic problems for the campaign, including:

• Quantitative research showing negative campaign impressions, reasons for switching and barriers to voting Labor including the standing of Labor's leader;
• Seat polls showing an inability to win seats needed for government, particularly in Queensland;
• Qualitative research reports showing growing concerns about the economy, Labor's policy agenda and its negative campaign struggling against the new Liberal leader; and
• Message testing showing Labor's message was not as compelling as the Coalition's.

The campaign was put in a difficult position from this multiplicity of research findings. On one hand, the fundamentals of the campaign show key strategic weaknesses growing in dimension as the campaign progressed. On the other, published polls, particularly Newspoll, built public expectations of a Labor victory and showed the campaign was on track to win, despite the weakening fundamentals.

The campaign track

The two-party preferred results

The accuracy of the campaign track provided by YouGov has been the subject of public critique since the election. There was an industry-wide failure to predict the result of the 2019 election, with a persistent bias towards a Labor victory.

The campaign track did get the result of the election wrong. YouGov has a reputation as the most accurate research provider. The submission from YouGov identifies the error was primarily attributable to a reliance on 2016 vote recall as a weighting factor. That is, YouGov's surveys included a question asking participants who they voted for at the previous federal election in 2016, and the final report produced from each survey was weighted to adjust for any over or underrepresentation of past support based on the actual results in 2016. While that has been a tool used by quantitative researchers for decades, it served to both overestimate the Labor primary vote and the preference flow to Labor.

Table 4: Analysis of published polling 2019

	Roy Morgan	Newspoll	Essential	YouGov News	Ipsos Fairfax	YouGov ALP track
Methodology	Face to face	Online + robo	Online	Online + robo	CATI	CATI + online
Predicted 2PP swing to Labor in final poll of campaign	+2.4	+1.9	+1.4	+1.4	+1.4	+1.3
Average error in primary vote estimates	1.1	1.7	2.5	1.4	1.3	1.6
Sample size	1265	3038	1201	3301	1842	1200

Source: ALP National Secretariat

The track results show that the public expectations of a Labor victory were not matched by Labor's research. After accounting for the redistributions that occurred during 2018, Labor's average two-party preferred vote at the 2016 election in the electorates included in the tracking poll was 48.7 per cent. Therefore, any two-party preferred figure below 49 in Chart 9 represents a swing against Labor, and a figure between 49 per cent and 49½ per cent represents a swing of less than 1 per cent to Labor. In other words, for seven of 32 reports Labor was behind and for 11 more nights Labor had a swing of less than 1 per cent – not enough to win the election.

Chart 9: Election track results 2019
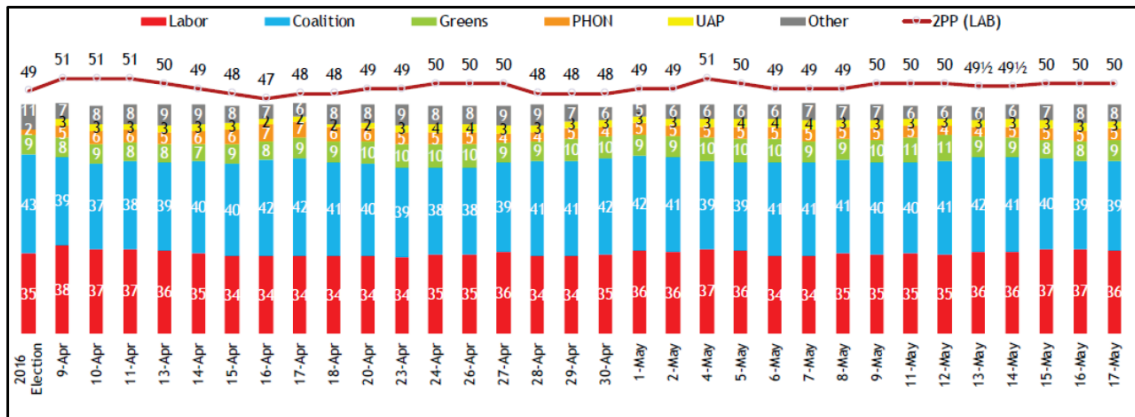
Source: YouGov

While the final two-party preferred figure predicted by the campaign track was incorrect, the campaign track provided a result that was persistently less optimistic than published polling.

It is difficult to say what, if anything, the campaign could have done differently in hindsight to address this concern. The use of vote recall is a standard practice, but on this occasion, created significant error in the outcome. This error was perpetuated amongst a range of published polling at the same time.

Why the error occurred is difficult to identify. YouGov has hypothesised the framing of the 2016 election on Medicare and the change of prime minister contributed to many people who voted Labor in 2016 incorrectly recalling their previous vote. Whether this is correct cannot be definitively answered.

Other findings from the track

While the two-party preferred figures from the track were not indicative of the final result, the track continually provided reports on approval ratings, campaign impressions and issues that were serious matters of concern for the campaign. These reports correctly identified the critical campaign weaknesses that were successfully exploited by the Liberal campaign.

Finding 47: *The campaign track was persistently less optimistic than the published polling, but inaccuracies in the overall research program led Labor to believe it was slightly ahead when it was, in fact, behind.*

Finding 48: *Notwithstanding these inaccuracies, there were clear warning signs about Labor's problems, with the research correctly identifying critical campaign weaknesses that were successfully exploited by the Coalition.*

CHAPTER 8: LABOR'S ADVERTISING AND DIGITAL CAMPAIGNS

Reflections

Academic Sally Young (2013) made the following observation after the 2013 federal election:

> "For 40 years, Australia's major political parties have prioritised television and viewed it as the pre-eminent medium for communicating with voters during an election. As Gough Whitlam's speechwriter, Graham Freudenberg, observed first-hand, the 1969 election was 'the last campaign that wasn't tailored mainly to TV. From 1972 onwards, the parties have focused their 'paid media' strategies (commercial advertising) and 'free media' (media management) activities on TV.'"

Since the turn of the century, fragmenting audiences and the rise of digital media have diminished television's status as the pre-eminent communication medium. But television remained dominant in Labor's 2019 campaign strategy and in the resource allocation decisions of campaign directors. The 2019 campaign might well be remembered as the election that brought broadcast television's dominance of election campaigns to an end.

Labor's advertising campaign

Labor entered the 2019 campaign with confidence in its ability to communicate its message to voters through paid media strategies. Labor felt it had won the key arguments during the 2018 by-elections and believed sharper advertising played a role in those victories. Effective fundraising meant Labor was better placed to secure a greater "share of voice" than the Coalition (the industry measure of the proportion of an advertising market that a brand occupies compared to its competitors) than at any election since 2007. Labor was also generally regarded as a leader in digital campaigning off the back of successes in the 2016 federal election, recent state elections and the by-elections.

This confidence did not survive contact with the political enemy for four reasons.

Labor had not settled on a clear strategy for winning the election. Labor's advertising strategy pursued multiple objectives at once and its negative message shifted over the course of the campaign from 'fairness versus cuts' towards 'chaos and dysfunction'. This substantially diluted the impact of Labor's advertising.

Clive Palmer's unprecedented expenditure on behalf of the United Australia Party crowded Labor out in broadcast and digital media markets. In the final stages of the campaign, Palmer's expenditure also directly backed in the Coalition's anti-Labor messages, in an unprecedented act of collusion between supposed political rivals.

Labor's digital strategy was found wanting while the Coalition's digital performance had improved markedly. Across a range of measures, Labor's digital engagement and campaigning went backwards compared with the 2016 campaign. The digital team was not empowered to lead the functions they were allocated. Instead, digital was treated as a means to amplify the content, priorities and activities of other parts of the campaign.

The 2019 election marked the arrival of online disinformation as a decisive factor in Australia's democratic processes. The speed with which the "death tax" deception spread on Facebook and Messenger, the rebound effect of Labor's attempted rebuttals, and the ease with which the Liberal Party took advantage of and fed that disinformation, are warning signs for everyone in the Australian political system.

Labor's advertising strategy

In the lead-up to the campaign, Labor substantially increased its advertising budget across broadcast, print media and digital. Expenditure in traditional broadcast and print advertising was up by 19 per cent on the 2016 election and expenditure on digital advertising was up by almost 160 per cent. However, the impact of this expenditure was diluted by the campaign's fragmented messages and the disconnect between the policy agenda that dominated the daily activities of the frontbench and the themes of the advertising program.

Finding 49: Labor's advertising program was not informed by a clear strategy.

The impact of Clive Palmer's expenditure

Although Labor succeeded in competing with the Coalition in the major advertising markets, the sheer magnitude of Clive Palmer's expenditure through the United Australia Party disrupted any impact this might have had.

Palmer's expenditure was unprecedented in its size, duration and breadth. Across outdoor, television, print and digital, it is estimated the United Australia Party spent almost $70 million in the months leading up the 2019 election.

According to industry analysis, the United Australia Party's campaign spend was more than the advertising budgets for the same period of McDonald's, Foxtel, Telstra or any of

the banks. In fact, the only organisations in the country who outspent Palmer were Harvey Norman, Woolworths, Wesfarmers, Toyota, the Commonwealth Government, and the New South Wales and Victorian state governments.

No other political party made it into the top 50 Australian organisations' spending on advertising over that period. It is true that none of Palmer's candidates secured election. However, the United Australia Party did not need to win seats or deliver preferences to have a significant impact on the ability of other parties to have their message heard.

Palmer's expenditure led to a major downgrade in Labor's share of voice across every major television market in the country, despite the increase in Labor's advertising spending, as evidenced in Charts 10 and 11.

Chart 10: Weekly expenditure - metropolitan TV, radio and print April-May 2019
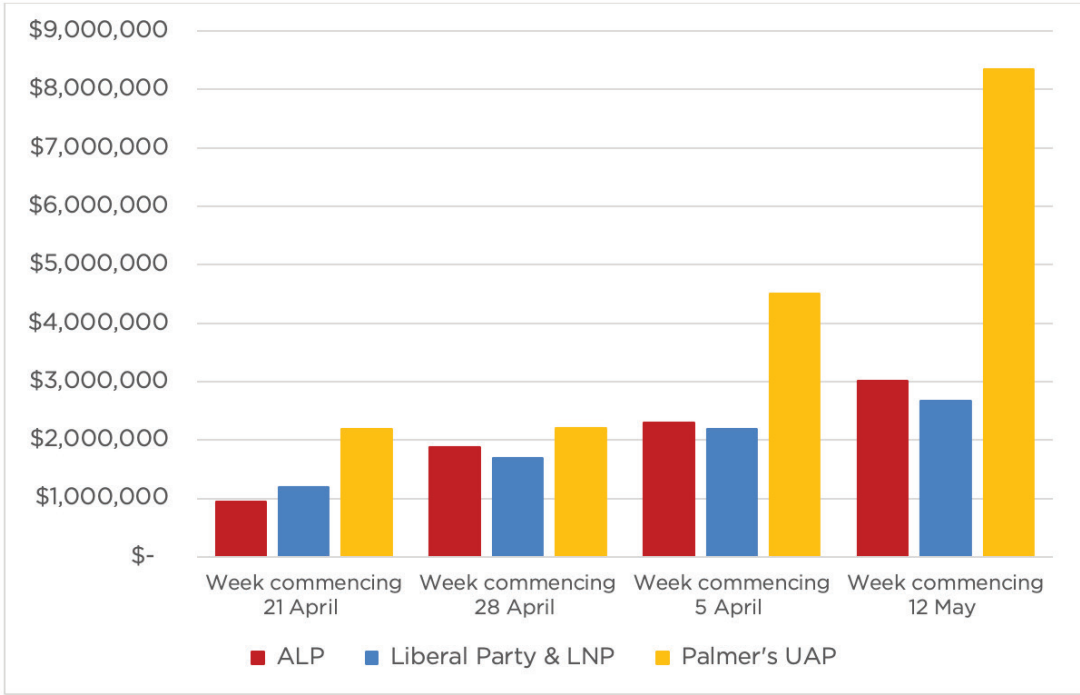
Source: Industry analysis of election advertising

Chart 11: Labor's share of voice by TV market 2016 and 2019
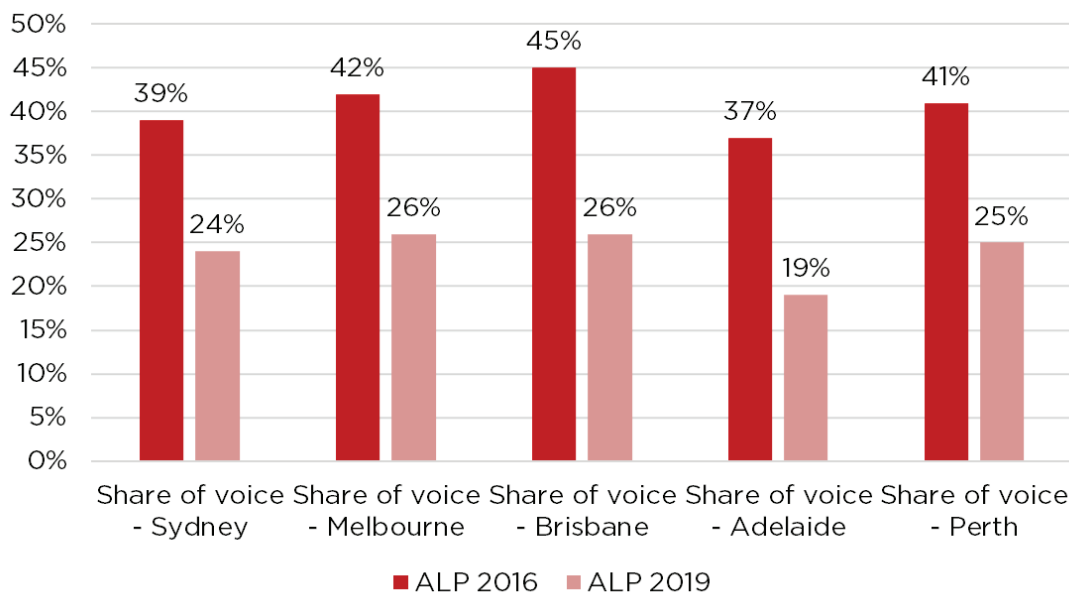
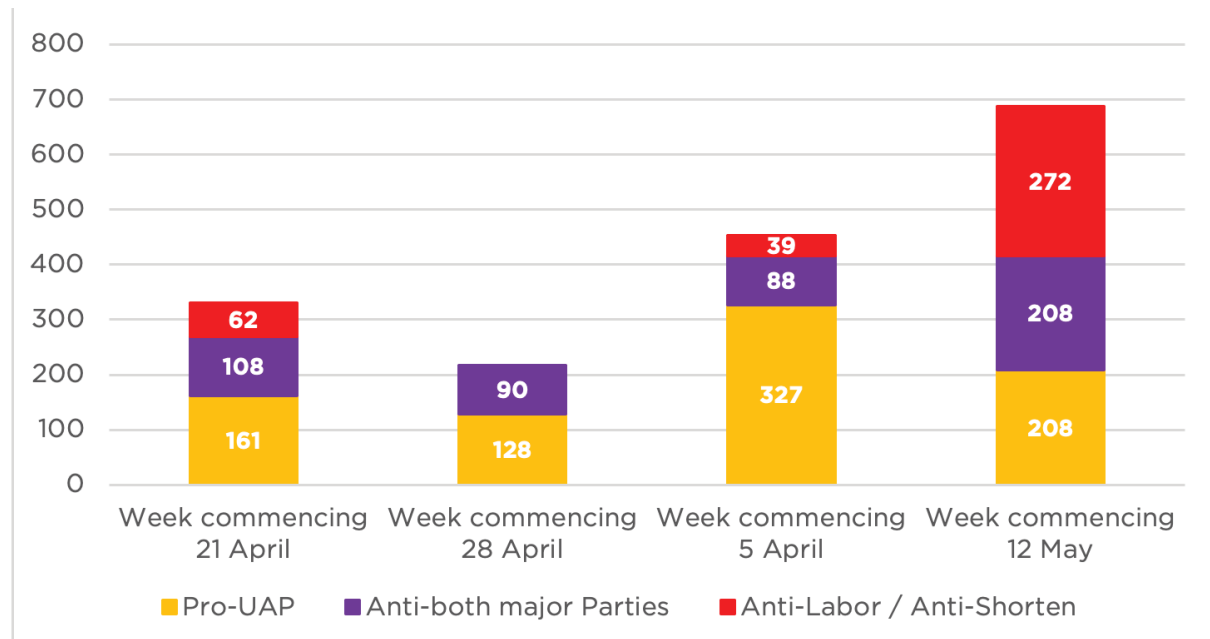*Source: Industry analysis of election advertising*

Indeed, if this analysis were extended to include United Australia Party's advertising activity from January to March, the ALP's share of voice declines to about 14 per cent. In some regional markets, such as Townsville and Rockhampton, Labor's share of voice was only 10 per cent.

In the closing stages of the campaign the volume of Palmer's expenditure rapidly increased, and the themes of his advertisements shifted to a much harsher anti-Labor message. Palmer's closing argument was a cartoonishly exaggerated version of the Liberal Party's campaign messages:

An industry analysis of Palmer's expenditure commissioned by the National Secretariat demonstrates in the final week of the campaign the United Australia Party's most prominent messages were anti-Labor advertisements which directly targeted Bill Shorten (Chart 12).

Chart 12: United Australia Party advertising spots by theme, Melbourne, April-May 2019

Source: Industry analysis of election advertising

Finally, Palmer's expenditure had a significant impact on the effectiveness of Labor's digital advertising. Almost all digital advertising is allocated through auction systems. Prices automatically increase if there is more competition. In addition to his television and outdoor expenditure, Palmer spent an unprecedented amount on digital media. This significantly pushed up the prices Labor paid for online advertising and limited the paid reach Labor's advertisements were able to achieve as they were competing for the same audience as the United Australia Party.

Finding 50: The magnitude of Clive Palmer's expenditure crowded out Labor's advertising in broadcast, print and digital media.

Labor's digital strategy

Over the past two decades digital campaigning has graduated from a novel afterthought to a key plank in parties' efforts to reach and persuade voters. Nevertheless, Australia remains several years behind the curve of best-practice digital campaigning in comparative democracies such as the United States and the United Kingdom. In the US, digital advertising makes up between 20-25 per cent of advertising spending in political campaigns, where in Australia it is about 10 per cent.

There are some structural explanations for the slower uptake. Compulsory voting in Australia means campaigns are more geared towards persuading undecided voters than they are to motivating supporters to turn up at the polls – and broadcast media is better suited to persuasion-focused campaigns than to campaigns focused on turnout.

However, in 2019 Labor's reluctance to embrace "digital-first" campaigning left it flat-footed and falling behind its opponents.

Labor's digital team was responsible for a diffuse set of functions which were mostly shared with other teams including online advertising, fundraising, supporter communication and mobilisation, web development, content production and design, data analytics, and maintaining Labor's social media presence.

The digital team was not empowered to lead any of these functions and did not exercise ultimate authority over its work other than in strictly technical areas. A campaign with this culture comes to see digital as a means to amplify the content, priorities and activities of other parts of the campaign, rather than a core obligation to shape online conversation about the election and the Labor Party.

As a result, across a range of measures Labor's digital campaign went backwards compared with 2016. Labor's email lists shrank over the course of the 45th Parliament, Labor raised less money online from fewer donors than in 2016, and the content that was produced was less engaging and made fewer impressions online amongst target voters. Critically, the deterioration in Labor's digital offering occurred at an election where the Liberal Party dramatically lifted its game.

A large part of the explanation for the top-down, risk-averse culture that this points to lies in the lack of digital literacy within Labor's senior ranks. Few, if any, Party officials have genuine expertise in how digital platforms work and how progressive organisations can make the most of the opportunities they offer. Labor employs very few digital specialists and often the default position is to define digital as the responsibility for managing some social media accounts and to allocate this to relatively junior staff and officials.

Labor needs to start turning this around immediately. In tackling this challenge, it is instructive to note the shortcomings that were exposed by the 2019 election came about

despite a 160 per cent increase in the digital advertising budget. This points to the need for a change in Labor's campaign culture and how it thinks about digital, rather than simply an increase in investment. The party that develops a genuine digital-first culture will have a big advantage in the next campaign.

Finding 51: *Labor's digital campaign in 2016 was superior to the Coalition's but by 2019 it was inferior to the Coalition's and that of its allies.*

Finding 52: *Despite a substantial increase in the digital advertising budget, Labor's digital capacity went backwards.*

Finding 53: *Labor's digital team was not empowered to lead the functions they were allocated. Instead, digital was seen as a means to amplify the content, priorities and activities of other parts of the campaign.*

Finding 54: *Labor faces an urgent need to dramatically improve its digital campaigning capability.*

Disinformation, death taxes and digital platforms

More and more, the spread of disinformation online is influencing democratic processes throughout the world. International examples of disinformation shaping electoral outcomes, such as the 2016 United States presidential election and the United Kingdom's European Union membership referendum, have attracted a great deal of comment and attention.

The Joint Standing Committee on Electoral Matters has noted two connected threats to Australian democracy that have been amplified by the economic and social transformation that digital platforms have enabled:

• Hostile strategic actors have a greater ability to sow division in society by weaponising controversial or misleading information; and
• The self-selection of news has contributed to the rise of echo chambers and filter bubbles in which misinformation spreads online, unchallenged.

Australia had a taste of this new reality in the 2019 federal election, and for Labor the experience was an unpleasant one.

In mid-April, information about a non-existent Labor policy to reinstate inheritance taxes started spreading on Facebook and Messenger. Google data shows there were three spikes of online interest in the suggestion Labor would bring back inheritance taxes – the Easter weekend, the days immediately following Labor's launch on Sunday 5 May, and the final week of the campaign (Chart 13).

Chart 13: Google trends: Death tax, franking credits and negative gearing
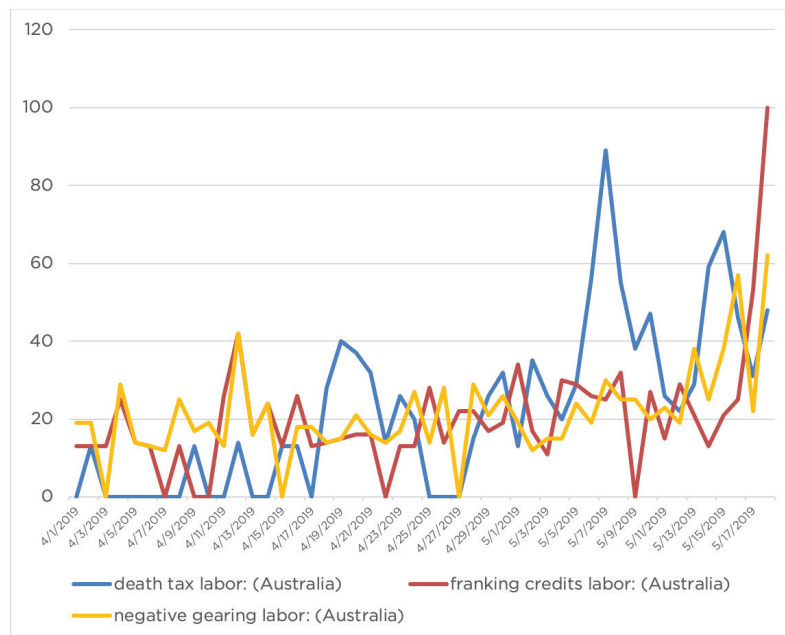
Source: Google Trends data

Labor adopted a strategy in response to the first spike in activity of attempting to counter the disinformation without amplifying it. Arming supporters with facts about Labor's position, targeted advertising aimed at those searching for "death tax", and distribution of a landing page emphatically rejecting the suggestion Labor had any plan to introduce an inheritance tax, had little impact.

Finding 55: *Labor's digital campaign needs to be more agile and effective in countering disinformation on digital platforms of its political rivals.*

CHAPTER 9:
THE GROUND GAME

Background

Over the past decade, the focus in Labor's marginal seat campaigns has shifted away from campaign techniques that were dominant in the 1990s and 2000s such as sending direct mail letters to voters and raising money to buy outdoor advertising.

In their place, Labor has embraced an organising culture focused on recruiting volunteers and encouraging them to have conversations about the next election, both with their friends and neighbours, and through at-scale voter contact programs of door knocking and phone banking.

In the 2019 federal election Labor rolled out its largest-ever program of voter contact. More than 25,000 volunteers made more than one million phone calls and knocked on more than one million doors.

Labor did not win in the electorates where the field organising effort was concentrated. This has led some to question whether the field organising model remains the best approach available. Others have noted that voter contact is only a tactic and its effectiveness hinges on whether a campaign's message is working.

Marginal seat campaigns

Labor fostered productive and collaborative relationships between the national Campaign Headquarters, state and territory branches and local campaigns. The months leading up to the election involved on-the-ground engagement aimed at ensuring that local knowledge was incorporated into the campaign.

However, state elections in Victoria and New South Wales and a National Conference in the lead-up to the election, meant this engagement was not as uniform or constant as it might have been.

Some candidates and local campaigns have also observed that in their interactions with the national Campaign Headquarters and their state or territory branch, it wasn't always clear who was responsible for providing support or assistance in different areas.

There is some evidence of policies and messaging that was crafted by the central campaign in isolation from state and territory branches.

Roles and responsibilities for implementation and advice to local campaigns need to be clearly defined early between Campaign Headquarters and state and territory branches to avoid duplication of effort and to ensure consistency in the advice provided. As part of this, clear lines of accountability and feedback channels that run all the way up to the campaign's leadership must be built. In 2019, accountability was very focused on the organising output of phone calls or door knocking, with less of an emphasis on other aspects of local campaign activity. A wider focus and a clear indication of how Campaign Headquarters is accountable in the other direction – back to local campaigns – is needed.

Finding 56: *Coordination between national, state and local campaigns should be improved.*

Bush campaigning

The challenges of campaigning in remote communities are profound. The decision by the Federal Government to reduce the resourcing of the Australian Electoral Commission (AEC) in remote areas has had a dramatic effect on enrolments. This has shifted more of the burden to political parties.

While the Labor Party was effective in its bush campaigning during the 2019 campaign, there is still room for improvement. Labor has no dedicated structure for bush campaigning.

Finding 57: *Enrolments in remote areas of Australia were adversely affected by cuts in Federal Government funding to the relevant parts of the Australian Electoral Commission.*

Effective community campaigning

Labor's defeat has led some to question the relevance and effectiveness of the activities campaigns are encouraged to focus on. This challenge to how Labor campaigns should be treated as an opportunity. The National Secretariat and state and territory branches should collaborate on a research program that provides a clear evidence base for the contemporary potential of different campaign methods – such as local advertising, mail, voter contact, digital engagement and maintaining a visible presence in the community.

The lessons from this program should form the basis of coordinated training programs aimed at future candidates and campaigners, which can also help identify key personnel for the next Campaign Headquarters and significant roles elsewhere in the campaign. Labor should be prepared to cast the net widely and identify a broad and diverse mix of supporters who can make a contribution to campaigns throughout the 2020s. In the longer term, a more comprehensive training program should form the basis of better professional development for Party staff at all levels.

Materials

A number of campaigns raised frustrations about the time taken to provide feedback or approval on proposed campaign materials. This is a vexed area. Effective clearance processes ensure a campaign maintains a consistent message, complies with the authorisation provisions of the Commonwealth Electoral Act and other legal obligations, and, most importantly, avoids or minimises errors. However, no piece of campaign material ever had an impact if it wasn't seen by a voter because it was trapped in clearance.

Modern workplace environments are increasingly organised around software platforms that enable communication, collaboration and real-time document editing to be distributed across multiple locations. In the lead-up to the next campaign, the Party should explore a more widely shared responsibility for clearance that gives state and territory branches more autonomy and a greater role in approving materials.

Candidate selection, training and support

In the lead-up to the 2019 campaign Labor preselected a high calibre of candidates across the country, particularly in target seats. In some cases, candidates were preselected in 2017 and spent 18 months working incredibly hard in their electorates. Their efforts deserve recognition and gratitude. It is one of the great disappointments of the election outcome that those who were defeated will not have the opportunity to serve their communities.

The 45th Parliament will be remembered for the controversy surrounding parliamentary eligibility and dual citizenship, leading to a series of High Court decisions that clarified the interpretation of section 44 of the Constitution. These events led to the introduction of a parliamentary citizenship register and the incorporation of a qualification checklist as part of the nomination process administered by the AEC.

Like the 2016 election and the by-elections during the 45th Parliament, the 2019 election also involved a number of candidate controversies which in some cases led to disendorsements after the close of nominations. These events were usually linked to past social media activity.

Combined, these developments have substantially raised the bar required for candidate vetting and introduced new risks to candidates and parties which were not a significant factor in election campaigns as recently as a decade ago.

To some extent, Labor saw these challenges coming. The National Executive established a clear set of principles for how candidates should be vetted, selected and presented in 2015, which were updated in 2017. Where Labor was affected by candidate controversies in 2019, it appears these principles were not followed.

Regardless, the Party needs to review its candidate selection processes to ensure they account for potential risks. This exercise should include a high-level focus on establishing standards that accommodate a diversity of candidate backgrounds and experiences. The party also needs to consider the higher burden of preparation the prevailing interpretation of Section 44 has created. To ensure our best potential representatives are eligible for election, the party will need to proactively profile candidates, ensure their eligibility and provide more opportunities for candidates who don't come from "inside politics". This should be coupled with better training focused on giving candidates the skills, tools and training they need to have confidence in media and community engagement. Labor should also consider how it can complement or add to the success of mentoring programs such as the program overseen by Emily's List.

Finding 58: Candidate vetting principles were not consistently applied.

Engagement with voters from culturally and linguistically diverse backgrounds

Australia is a multicultural nation. Almost 30 per cent of the population was born overseas and people from every country around the world live here. Labor has a proud tradition, which continues today, as the party that welcomes and celebrates the contribution migrants have made to our society and fights to remove barriers to full participation by migrants in Australian life.

Further, in the time since Labor last won a federal election, the mix of Australia's overseas-born population has shifted markedly towards people born in our region. China, India, the Phillipines and Vietnam now sit in the top six countries of birth of overseas-born Australians (Chart 14).

Chart 14: Top 10 countries of birth of overseas-born Australians 2008-2018
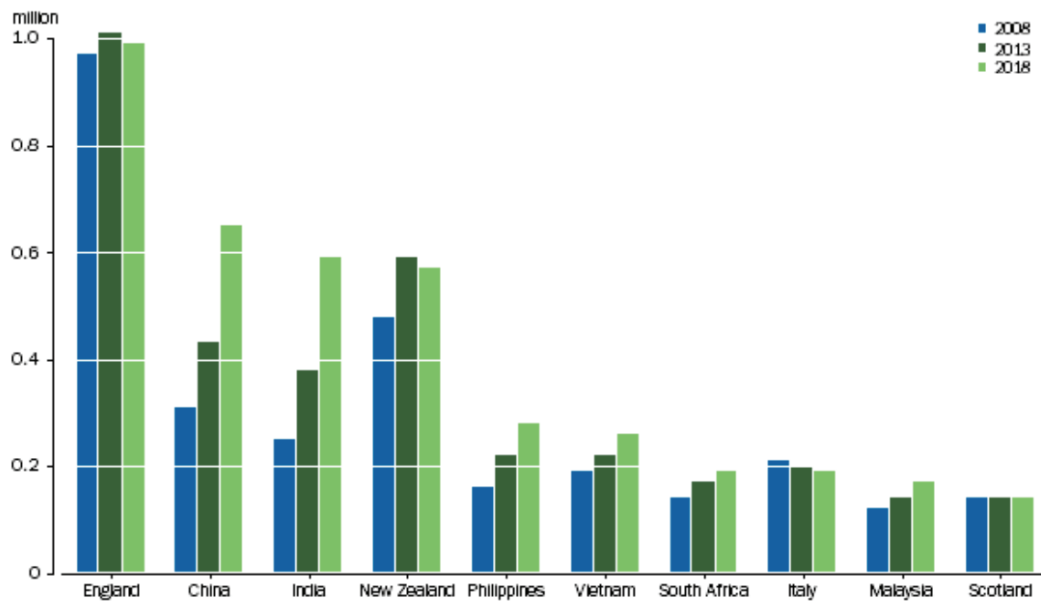
Source: ABS 3412.0 - Migration, Australia, 2017-18

In 2019, Campaign Headquarters largely limited its focus of engaging with culturally and linguistically diverse communities to digital campaigning. This was based on the judgement that a top-down approach to community engagement driven from Campaign Headquarters would have limited success and that engagement would be more successful if developed and executed locally.

There were examples of excellent engagement by local MPs, branches and sub-branches across the nation but these practices were not uniformly pursued. The examples of best practice should be identified and promoted across the Labor network. A dedicated project should be established for this purpose.

Finding 59: There were examples across the nation of excellent engagement by ALP campaigns with culturally and linguistically diverse communities but they were not uniformly applied.

CHAPTER 10: CAMPAIGNING IN THE 2020S

Background

Political campaigns bring together thousands of people who may not know each other or have worked together before, in a great shared endeavour. More than 120 staff worked in Labor's 2019 Campaign Headquarters; thousands more worked in the state and territory branches and in local campaign teams; and more than 25,000 volunteers had conversations with members in their community through organised door knocks, phone banks and street stalls.

Labor has an obligation to ensure that campaigns are a welcoming place where everyone has the opportunity to make a contribution. This requires robust processes for dealing with any issues or problems as they arise, and core policies which are readily available, clearly communicated and widely understood.

Labor adopted an Interim Bullying and Sexual Harrassment Policy in October 2018, and state and territory branches of the Party are required to maintain policies and formal processes of their own that can address any allegations of sexual harassment or bullying.

When adopting the interim policy in 2018, the National Executive indicated it would be reviewed following the federal election. This review should seek input and feedback from campaigners involved in the 2019 campaign – both at Campaign Headquarters and in the field.

Gender diversity and participation

Labor has a formal objective of having 50 per cent women at all levels in the Party organisation and in public office positions the Party holds. Since 1994, the Party's rules have set affirmative action targets to achieve this end. The current affirmative action target of 40 per cent will rise to 45 per cent in 2022 and 50 per cent from 2025.

Since affirmative action was adopted in 1994, the Party has made great advances towards equal representation in candidate selection and public office. However, as a number of submissions noted, Labor's organisational leadership remains predominantly male.

During the campaign, 13 of Labor's 18 full-time officials were male and 10 of the 15 Unit Directors in Campaign Headquarters were male. Clearly, more needs to be done to ensure there are more women in positions of leadership across the Party and within campaigns.

Labor should invest in understanding what support and resources are required to ensure more women get involved and stay involved in campaigns, and are promoted to leadership positions within the party organisation.

Finding 60: *Women were underrepresented in the campaign teams.*

Funding of political parties

Election campaigns are expensive. In an era of declining trust in politicians and political parties, the very act of raising money to pay for a campaign poses risks to public confidence in our political system.

Governance

In 2011, the National Executive established a Finance, Risk and Audit Committee (FRAC). The Committee oversees financial reporting, auditing, risk management, insurance and compliance, and reports to the National Executive. In addition to the FRAC, the Campaign Budget Review Committee (CBRC) is charged with overseeing the budget for each campaign.

Funding election campaigns

The business plan of the National Executive has been to borrow throughout the electoral cycle in order to sustain the Party's operations and prepare for each election, with debts repaid once public funding has been distributed by the AEC following the campaign.

The campaign budget each election has been adjusted to maximise campaign expenditure, leaving minimal cash at the end of each election.

Self-evidently, this is a high-risk strategy. Any budget variance reduces the capacity of the National Secretariat to operate financially and there is very little margin to absorb contingencies or unexpected variations.

Setting Labor up for the future

The arrangements put in place by the National Executive have assisted in the overall campaign structure and should be maintained. However, the review has identified a number of issues to which the National Executive should give serious consideration.

First, for the past decade the Party has had a budget objective of paying down debt and maintaining the real value of the Party's asset base. The Party needs to build up its reserves and the National Executive should review its budgeting objectives and practices to ensure this occurs.

Second, the practice of the National Secretariat and the CBRC has been to set a campaign budget based on conservative assumptions about revenue, public funding and fundraising performance, and then vary expenditure upwards as these assumptions are outperformed. This practice should be reviewed.

Third, the contingency within campaign budgets has been set at a fixed amount relatively early in the budget-setting process. As a result, as revenue forecasts improve and approved expenditure is revised upwards, the buffer that the contingency offers shrinks in proportion to the rest of the budget. The Party should consider setting its contingency at a percentage of the overall budget rather than a fixed amount.

Finally, the practice of basing the campaign budget on estimates of likely public funding derived from polling should be reviewed.

Reform of electoral laws

Following the election, the Party's submission to the Joint Standing Committee on Electoral Matters called for significant reforms to strengthen electoral laws, including:

• Reducing the donation disclosure threshold from the current level of $14,000 (indexed to inflation) to a fixed $1000;
• Introducing a real-time disclosure scheme;
• Limiting the level of federal campaign expenditure through the introduction of spending caps; and
• Ensuring public funding of elections is an effective and practical tool for minimising the influence of vested interests in the democratic process.

We support these recommendations. In addition, administration funding of political parties now occurs in several states and provides stability to the operations of parties. Federal Labor should pursue administration funding of federally registered political parties.

Labor's preference priorities

The National Executive has established clear priorities for Labor's preference negotiations which have proven valuable in guiding decisions about how the Party recommends voters allocate preferences. All these decisions are secondary to making the case that Labor is the best choice for voters allocating a primary vote in the House of Representatives and

the Australian Senate. The final results in the Australian Senate for Labor emphasise the importance of a specific campaign to ask voters to allocate a primary vote in the Senate for Labor.

Labor's preference priorities are:

1. Ensure the election of the maximum number of House of Representatives members.
2. Ensure the election of the maximum number of Labor Senators.
3. Impact on the balance of power in the Australian Senate.

Labor has a long-standing position, first adopted in the late 1990s, that all candidates endorsed by One Nation and any like-minded candidates be placed last on ALP how-to-vote cards. This should be maintained.

Appointment of negotiators

With 56 parties registered for participation in the federal election cycle, the political party environment remains very complex. In 2017, the National Secretary made the decision to recommend the appointment of preference negotiators for the 2019 election cycle. This was earlier than would normally have been the case. While preference discussions are inevitably concluded as nominations close and the ballot paper draw is completed, this allowed an earlier dialogue with other political parties than has previously been the case. This approach should continue.

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