

Howard at the Crossroads? The October 2004 Federal Election

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On 1 September 2001, PP McGuinness wrote that although John Howard's electoral prospects at the beginning of that year had looked 'extremely dismal', he had opined that 'You can never write Howard off until he is buried at the crossroads with a wooden stake through his heart'.¹ In the first half of 2004, many commentators seemed to have forgotten this fundamental tenet of Australian political science in their haste to proclaim the forthcoming defeat of Howard by new Opposition Leader Mark Latham. Alan Ramsey, for example, wrote in March:

The circle is closing. In a bit under 100 days and after just four weeks of the Parliament sitting, Mark Latham's leadership has collapsed John Howard's political authority even more thoroughly than it has weakened his Government's electoral dominance. The signs are everywhere, unmistakably.²

The Labor Leadership

On the night of the 2001 election, defeated Opposition Leader Kim Beazley announced his resignation from the position. It was largely a personal decision. Beazley's situation was by no means untenable. He had fought a good campaign that had averted what appeared to be a looming landslide defeat for Labor.³ In retrospect, his decision was a much more momentous one than it seemed at the time and was to cause Labor serious, ongoing problems.

On 22 November, Deputy Leader Simon Crean was elected unopposed as Beazley's replacement. It proved to be a disastrous choice. Crean's public image was the

* Research Service New South Wales Parliamentary Library. Any opinions are those of the author and not those of the NSW Parliamentary Library.

¹ *Sydney Morning Herald*, 1.9.01.

² *SMH*, 6.3.04.

³ See D. Clune, 'Back to the future? The November 2001 federal election' in *Australasian Parliamentary Review*, 17(1), Autumn 2002.

worst of any Labor Leader since Arthur Calwell. He was unable to make any electoral impact. This was despite his success in forcing through reforms to Labor's structure in October 2002. Among other things, these changes expanded the size of the National Conference to make it more representative, reduced union representation in Labor's decision-making forums, and increased affirmative action targets. Crean attempted to position the Opposition as offering a better deal on health and education, areas where Labor had been able to make ground on the Government in the 2001 campaign. The voters remained unimpressed. As one commentator said: 'At the end of the day the question remains: is anyone listening?'⁴ Crean was unable to gain any advantage from problems dogging the Government. These included the allegations of inaction on sexual abuse within the Anglican Church which finally forced the resignation of Governor-General Peter Hollingworth in May 2003, on-going claims that the Government had deliberately misled voters in the 2001 election campaign over charges asylum seekers had thrown children overboard, and continuing criticism of the mandatory detention of refugees. The polls reflected Labor's problems. Between December 2002 and December 2003, for example, Newspoll showed Labor ahead in the two-party preferred vote on only one occasion. The nadir was from April to August, when eight of ten Newspoll surveys had the Coalition with a two-party preferred lead of from four to ten points. Crean's approval rating remained stuck at disastrously low levels. Between December 2002 and November 2003, his best result against Howard as preferred Prime Minister was 22 to 54 per cent. His worst was 14 to 65 per cent.⁵

Crean's poor performance made a challenge inevitable. Beazley was increasingly having second thoughts about his decision to relinquish the leadership. A growing number of Caucus members believed that Labor was heading for, in the words of Beazley backer Wayne Swan, a 'train wreck' at the next election. By April 2003, Beazley was openly positioning himself for a comeback. When it came to a ballot on 16 June, Caucus voted 58 to 34 to stick with Crean.⁶ However, it was obvious that the Opposition Leader's position was far from secure. As the bad poll results continued, Crean's support crumbled. At the end of November, he was told that he had lost the backing of senior Labor figures and decided to resign. Caucus met on 2 December to elect a successor. Most expected Beazley to emerge the victor. However, Shadow Treasurer and former strong Crean supporter Mark Latham narrowly brought off an upset victory, 47 votes to 45.⁷ A factor in Latham's victory was resentment amongst some MPs at Beazley's campaign of destabilisation against Crean. According to one journalist, another reason was the desire for 'generational change':

Yesterday the battle was between the old and new in the Labor Party — and the new won . . . It was the opportunity to break the Beazley — Crean mould and opt for renewal that persuaded even the most vulnerable Labor MPs in the most

⁴ Tony Walker, *Australian Financial Review*, 16.5.03.

⁵ www.newspoll.com

⁶ *SMH*, 17.6.03; 18.6.03.

⁷ *SMH*, 3.12.03; *Australian*, 3.12.03.

marginal seats to risk their careers by making Mark Latham the party's youngest leader in a century.⁸

Other commentators stressed the size of the gamble that Labor was taking. Paul Kelly wrote:

This is the bravest, riskiest and most daring leadership choice made by the Labor caucus for several decades . . . Caucus knew Kim Beazley was a competitive silver medallist. But they wanted something more, so they voted for the wild ride. . . Latham will ignite the public imagination in a way that defied Simon Crean . . . Latham has the ability. The issue is whether he has the temperament and character.⁹

The Latham Revival

By early 2004, Labor's gamble seemed to be paying off handsomely. Latham projected the image of the man of ideas, with several well-regarded books behind him, who was also something of a likeable larrikin. He came across as refreshing and different, taking up unlikely causes such as reading to children and the 'crisis of masculinity'. There was a series of community forums around the nation to emphasise that Latham was listening to ordinary Australians. His ideological position was basically conservative, with an emphasis on self-improvement. Latham played down issues like multiculturalism and asylum seekers and emphasised the importance of the family. He seemed to be taking the fight to Howard on his own battleground, competing for the votes of the 'battlers'. Labor's website had this message from its Leader:

I believe in ambition and aspiration. I believe in the powerful combination of hard work, good family and the civilising role of government services. I say that economic aspiration is good and that social mobility is even better — all Australians climbing the ladder of opportunity . . . We will do many good things in government — increasing opportunity, fighting poverty and protecting the environment. . . Responsibility from all, opportunity for all: that's what I call a good society.¹⁰

It was an appealing message, tapping into pent up resentment against the Government.

Latham received much favourable media coverage. He appeared to be setting the agenda. For example, when Latham criticised MPs' superannuation as overly generous and promised to reduce his own entitlement if he became Prime Minister, Howard was forced to respond with a commitment to reform the scheme.¹¹ As the table below shows, Labor moved ahead in the polls in the first half of 2004. Latham also greatly improved on Crean's performance against Howard as preferred Prime Minister, narrowing if not closing the gap.

⁸ Geoff Kitney, *SMH*, 3.12.03.

⁹ *Australian*, 3.12.03.

¹⁰ www.alp.org.au, accessed 21.4.04.

¹¹ *Australian*, 14.2.04.

The Australian Newspoll: Two-Party Preferred Vote January-October 2004

	COALITION %	LABOR %
16–18 January 2004	50	50
6–8 February 2004	47	53
20–22 February 2004	50	50
5–7 March 2004	45	55
19–21 March 2004	45	55
2–4 April 2004	47	53
16–18 April 2004	47	53
30 Apr — 2 May 2004	48	52
14–16 May 2004	46	54
28–30 May 2004	53	47
18–20 June 2004	48	52
2–4 July 2004	49	51
16–18 July 2004	49	51
30 Jul — 1 Aug 2004	50	50
13–15 August 2004	46	54
27–29 August 2004	48	52
3–5 September 2004	50	50
10–12 September 2004	50	50
17–19 September 2004	47.5	52.5
24–26 September 2004	48	52
1–3 October 2004	50.5	49.5

Source: www.newspoll.com

Government Problems

As well as the rise of Latham, Howard had other problems. In April 2003, a major overhaul of Medicare was announced. The ‘Fairer Medicare’ package was aimed at halting the decline in bulk billing and curbing the steep rise in patients’ out-of-pocket costs. It received a cool reception from doctors, consumer groups and the voters. A Senate Committee recommended against the proposed changes. In November 2003, the Government tried again with its generously funded ‘MedicarePlus’ scheme. The main features were financial incentives for doctors to bulk bill children and concession card holders and an enhanced safety net to meet all out of hospital medical expenses incurred over a certain annual limit.¹²

¹² *SMH*, 29.4.03; 22.11.03; 2.3.04.

The Australian Newspoll: Preferred Prime Minister January-October 2004

	JOHN HOWARD %	MARK LATHAM %	UNCOMMITTED %
16–18 January 2004	50	30	20
6–8 February 2004	47	34	19
20–22 February 2004	48	32	20
5–7 March 2004	44	39	17
19–21 March 2004	43	42	15
2–4 April 2004	48	37	15
16–18 April 2004	48	37	15
30 April — 2 May 2004	49	36	15
14–16 May 2004	50	33	17
28–30 May 2004	54	32	14
18–20 June 2004	48	36	16
2–4 July 2004	50	33	17
16–18 July 2004	48	33	19
30 Jul — 1 Aug 2004	51	34	15
13–15 August 2004	47	36	17
27–29 August 2004	48	34	18
3–5 September 2004	49	37	14
10–12 September 2004	50	33	17
17–19 September 2004	47	37	16
24–26 September 2004	48	35	17
1–3 October 2004	49	32	19

Source: www.newspoll.com

The Senate has often been Howard's best friend in terms of saving him from the electoral cost of some of his more unpopular measures. This occasion proved to be no exception and the Government was forced in March 2004 to make the package even more generous to garner enough votes to allow it to pass, chiefly by lowering the safety net threshold. Jennifer Hewett wrote in the *Financial Review*:

The government's latest health plan certainly deserves the title PoliticsPlus. It won't achieve . . . a rise in the overall rate of bulk billing . . . But what it will achieve is to lessen the pressure on the government in one of the few areas where the ALP has actually managed to draw political blood.¹³

¹³ *Australian Financial Review*, 22.11.03.

As part of the 2003 Budget, major changes to higher education funding were announced. University fees were to be partially deregulated, meaning the cost of some courses would rise dramatically, and the number of full fee paying places was to increase. Basically, costs were to be shifted towards the user. It was hardly surprising that there was much criticism of the proposals. As with its Medicare reforms, to win the votes necessary to pass the legislation in the Senate the Government was forced to make a number of concessions that softened the electoral impact.¹⁴

In March 2003, Howard committed Australian troops to the US led invasion of Iraq. Although the war itself was quick and successful, the ensuing occupation soon gave all the appearances of sinking into a Vietnam-style quagmire. There seemed to be a growing danger for Howard that electoral opinion would turn against Australia's involvement in Iraq. Another potential problem for the Government was speculation that Australia was at greater risk of terrorist attacks because of its participation in the war. The unexpected defeat of the Spanish Government, which had committed forces to Iraq, after the Madrid train bombings in March 2004 illustrated the political risks graphically. When Australian Federal Police Commissioner Mick Keelty made comments appearing to confirm that Australia was more of a target for attacks like those in Madrid because of its support for the invasion of Iraq he was immediately rebuked by Howard and other senior Ministers. He later issued a 'clarifying statement', allegedly after pressure from the Government.¹⁵

The Howard Counter-Attack

There was increasing unease in Government ranks as Labor appeared to be consolidating its lead. Howard as always remained cool under fire. The Government launched a ferocious counter-attack. The overall objective was to raise doubts in the mind of the voters about whether Latham could be trusted with the Prime Ministership.

Treasurer and Liberal Deputy Leader Peter Costello attacked Latham's record as Mayor of Liverpool, alleging there had been serious financial mismanagement during his tenure. Five former Liverpool Mayors publicly supported these accusations.¹⁶ Claims surfaced in the media about Latham's conduct and personal life. Probably more damaging than the allegations was Latham's response:

Choking back tears at an extraordinary news conference, he appealed for the sympathy of the people while blaming the Government for running a dirty tricks campaign against him.¹⁷

¹⁴ *Australian*, 12.5.03; *SMH*, 27.11.03; 6.12.03.

¹⁵ *SMH*, 16.3.04; 22.4.04; 6.5.04.

¹⁶ *SMH*, 6.7.04; *Australian Financial Review*, 23.7.04; *Daily Telegraph*, 10.7.03.

¹⁷ *SMH*, 6.7.04.

Paul Kelly commented:

Latham's performance was a melodramatic overreaction. It reinforces the character issue Howard strives to build — that Latham is too inexperienced, unreliable and uncertain a commodity.¹⁸

The Government was able to inflict serious damage on the Opposition Leader over his promise to bring Australian troops home from Iraq by Christmas if elected. An attempt to exploit doubts in the community about the war, this commitment was made by Latham without consultation with his colleagues.¹⁹ It backfired badly, allowing the Government to claim Labor was giving in to terrorism and undermining the American alliance. A significant number of voters were unhappy about the war in Iraq. However, in many cases, their reservations were outweighed by a belief in the necessity of close defence ties with the US. To minimise the damage, Beazley, a former Defence Minister well known for his pro-American views, returned to the Opposition front bench in July as defence spokesman. Latham also softened his position on Iraq, promising to commit funds and non-combatant personnel to help with reconstruction.²⁰ Overall, the affair created a lingering doubt about the soundness of Latham's judgement.

A further attempt by the Government to portray Latham as anti-American did not work so well. In July 2004, the US Congress approved the proposed Free Trade Agreement with Australia, long championed by Howard. There was strong opposition within the ALP to the deal. It seemed that Latham was in a no-win situation. If he supported the Agreement, he risked a damaging internal fight. If he opposed it, Howard would seize on this as further evidence of Latham's anti-Americanism. The Opposition Leader adroitly sidestepped the trap. He supported the Agreement in general but insisted on amendments to protect local content in the media and penalise pharmaceutical companies that attempted to prevent cheaper, generic drugs coming on the market. Latham thus placated his critics in the Party and portrayed himself as the champion of ordinary people against predatory multinational companies. The Government quickly agreed to the first amendment and was soon forced to concede the second.²¹

There was a more positive side to the Government counter-attack. The centrepiece was a spending spree of over \$50 billion in the May Budget to buy back electoral support. The main features were substantial tax cuts for middle and higher income earners, a huge increase in family assistance, including an immediate \$600 cash handout to many parents, and superannuation concessions. The Government, however, maintained its economic credibility by keeping the Budget in surplus.²² An intensive advertising campaign was launched to extract maximum advantage

¹⁸ *Australian*, 7.7.04.

¹⁹ *Australian*, 27.11.04.

²⁰ *SMH*, 13.7.04; 14.7.04.

²¹ *Australian*, 7.8.04.

²² *SMH*, 12.5.04.

from the Budget initiatives and the earlier enhancements to Medicare. Latham's Budget response was criticised as vague and lacking in detail:

His problem is that he has a position, or a series of positions, but not a policy. Indeed, Latham says that he will not be rushed 'into tax and family detail'. This is a risk for an untried and inexperienced leader under attack from Howard and Costello and vulnerable on detail.²³

When Howard announced on 29 August that an election would be held on 9 October he was definitely back in the race and perhaps even had a slight edge. The Government had decided on an unusually long six week campaign. This would put maximum pressure on the novice Latham. The experienced Howard, on the other hand, was unlikely to slip up on the campaign trail.

The Campaign

When announcing the election, Howard said that the key issue of the campaign was 'trust'. Some saw this as a misjudgement as new claims had emerged challenging the Prime Minister's veracity over the children overboard affair. However, the issue that Howard was really raising was whether the voters could trust Latham and Labor to manage the economy successfully and protect Australia's national security. The polls consistently showed the Coalition rating well ahead on both issues. In a Newspoll survey taken over 1–3 October, 56 per cent thought Howard more capable of handling the economy compared to 25 per cent for Latham. The equivalent figures for national security were 50 to 32 per cent.²⁴ This was the Government's chosen battleground and it remained a consistent campaign theme. Howard used interest rates as a potent way of bringing the issue home to the average voter, stating 'a vote for Mark Latham is a vote for a crippling increase in your mortgage repayments. Interest rates were always higher under Labor than under the Coalition'. A number of commentators quickly drew attention to the dubious nature of this claim.²⁵ However, it remained a constantly repeated and effective scare tactic throughout the campaign.

Latham's problem was that although he had given general commitments he had few specific policies behind him. It was not clear exactly what he stood for or was offering to the electorate. Rather than being able to set the agenda he was forced onto the defensive. To refute the charge that interest rates would rise under Labor, Latham committed himself to a Budget trilogy: running a yearly surplus during his first term, cutting tax collections, and reducing spending.²⁶ It looked reactive, too much like policy on the run.

²³ Paul Kelly, *Australian*, 15.5.04.

²⁴ www.newspoll.com.

²⁵ *SMH*, 3.9.04.

²⁶ *SMH*, 3.9.04.

That Labor's electoral strengths were health and education had become almost a cliché. The problem for Latham was that the Government was well aware of this too. Thus, when Latham announced on 6 September that Labor would provide a 100 per cent rebate on the scheduled fee for a general practitioner consultation for bulk billing patients he was trumped by the Government. Immediately after the Opposition's policy was released, Howard promised to extend the full rebate to all patients.²⁷

Labor's long-awaited tax and family policy was released on 7 September. Latham promoted the \$11 billion package as designed to 'ease the squeeze' on middle Australia. Those earning less than \$52,000 a year received nothing from the Government's Budget tax cuts. Labor promised them tax relief of up to \$8 a week. The family tax benefit would be simplified and the income level at which it began to phase out would be substantially raised. The policy was carefully designed to deliver 'big weekly tax savings to many middle-income families'.²⁸ There were, however, some drawbacks. The package was complex and difficult to sell in the short time available. It was far from being the knockout punch Labor needed if it was to gain the initiative. Another difficulty was that some low income earners would actually be worse off under Labor's proposals. One of Latham's aims was to entice those in this group 'off welfare and into work'.²⁹ This may have been defensible in policy terms but it allowed the Government to make a damaging counter-attack. Howard claimed that Labor was 'putting pressure on some of the most vulnerable low income families in Australia'.³⁰ Latham's presentation of the policy was weak and unconvincing.³¹ He ran into particular problems over the proposed abolition of the Government's \$600 annual payment to families. Barrie Cassidy observed:

The marketing exercise was derailed because Labor decided to publish two sets of tables — one prominently placed which left out the Government's \$600 lump sum family payment in the comparisons, and one which included the lump sum and appeared — where else — at the back of the book. That was bad enough. But then the obfuscation was compounded when Mark Latham lamely tried to argue that the \$600 was not 'real'.³²

On 9 September a bomb exploded outside the Australian Embassy in Jakarta, killing at least nine people and injuring many more. Campaigning was briefly suspended. Any momentum Latham had gained from the release of Labor's tax policy was dissipated and his message blocked out. In spite of this attack, national security did not become a major issue in the campaign. However, this is not to say it was

²⁷ *SMH*, 6.10.04.

²⁸ Ross Gittins, *SMH*, 2.10.04.

²⁹ *Australian*, 29.9.04.

³⁰ *SMH*, 15.9.04.

³¹ See, for example, comments by Mike Secombe *SMH*, 8.9.04.

³² 'A spin too far', *Australia votes: Federal Election 2004*, www.abc.net.au/elections/federal/2004, 10.9.04.

irrelevant. Concerns about terrorism and the international situation were an omnipresent if subdued backdrop, reinforced by a regular flow of stories about atrocities in Iraq. This was probably to the Government's advantage as national security was an area where it had the electoral edge.

On 10 September, Treasury released the Pre-election Economic and Fiscal Outlook Statement. It showed that the surplus was even greater than forecast in the May Budget, some \$25 billion. This guaranteed a big spending campaign. Government and Opposition rolled out one expensive policy after another in almost every area.³³ By the end of the campaign many voters were confused by the mass of policy detail and sated with largesse. This probably worked against Latham as he needed to differentiate clearly the alternative that he was offering. Instead, he found himself continually hemmed in by Government counter-bids.

The only debate between the Leaders took place on 12 September. The consensus was that Latham emerged the clear winner. This victory gave him a personal boost and lifted his campaign: 'Latham's tempo, morale and outlook have all lifted since the leaders' debate . . . Latham looks livelier, healthier and there's a spring in his step that is translating into his campaign'.³⁴ However, many voters still had doubts about the Opposition Leader's ability to handle the top job. Even after Latham's good performance in the debate, Newspoll showed Howard was preferred as Prime Minister by 47 to 37 per cent. A survey just before polling day had Howard ahead by 51 to 36 per cent.³⁵

The third week of the campaign saw another major Labor launch, that of its education policy. State schools were promised \$1.9 billion in funding over five years. They were also generous handouts for Catholic and less well-off independent schools. However, to help finance the package, 67 of the most affluent private schools were to lose \$520 million. Whatever the merits on equity grounds, it was a political miscalculation in that it touched off a controversy that took attention away from the main elements of the policy. The Government immediately attacked the cuts as divisive and promoting class conflict. It also launched an effective scare campaign by claiming that the 'hit list' was only the beginning. Howard asserted: 'Hit lists never shrink; they only grow'.³⁶ The Anglican and Catholic Archbishops of Sydney and Melbourne joined in the attack.³⁷ Many parents with children at private schools that were not affected saw Latham's policy as 'an attack on the private school system generally'.³⁸

³³ For some details see *Australian*, 2.10.04.

³⁴ Paul Kelly, *Australian*, 17.9.04.

³⁵ www.newspoll.com. Surveys taken on 17-19 September and 6-7 October

³⁶ *SMH*, 27.9.04.

³⁷ *SMH*, 29.9.04.

³⁸ Barrie Cassidy, 'Labor's school funding policy fuels debate', *Australia votes: Federal Election 2004*, www.abc.net.au/elections/federal/2004, 16.9.04.

By mid-campaign, Latham was getting good media coverage and was displaying a folksy charm on the trail. However, he stumbled at the beginning of week four. On the morning of 19 September, during a television interview Latham responded angrily to hostile questioning about his tax package. Later that day, he lost his temper completely at a press conference when asked whether his young son would be educated in the private or public system.³⁹ All the old doubts about Latham's ability to handle the pressures of the Prime Ministership were revived. One experienced observer commented:

Mr Latham's campaigning style is surprisingly engaging. He seems to handle the small talk exceptionally well. Increasingly, he's getting on top of his brief and breezing through talkback encounters . . . But all that can be for naught if the discipline slips.⁴⁰

Both Parties' major policy launches took place in week five. Howard was first, in Brisbane on 26 September. His delivery was unusually animated, like someone who smelt blood. Howard continued to ram home the negative message that Labor could not be trusted to protect Australia's national security or economy, particularly low interest rates. This was backed up by \$6 billion worth of promises which Howard said had been made possible by the Coalition's competent economic management. Small businesses would receive tax concessions. Those suffering from dementia and their carers would be given additional assistance. State and private schools would be eligible for \$1 billion in funding for capital improvements. In a swipe at the State education systems, Howard said that this funding would be provided direct from Canberra. Similarly, 24 technical colleges would be established and run by the Commonwealth. Families were offered a 30 per cent tax rebate on childcare. The new 'Round the Clock Medicare' programme would increase the availability of after hours general practitioner services.⁴¹

Latham responded by accusing Howard of a desperate, last minute attempt to buy votes with an irresponsible spending spree.⁴² This was potentially a powerful line of attack. The problem was that Latham himself was just as vulnerable to the charge. The day after Howard's launch, for example, he unveiled a \$1.6 billion child care policy. There was a basic inconsistency in Labor's approach, one minute wanting to be seen as more socially caring, at other times more economically responsible.

Latham's launch was on 29 September, also in Brisbane. It was a strong and effective performance. One columnist wrote: 'The speech rang with phrases and sentiments that were authentic reminders of what first attracted the attention of the electorate to Latham'.⁴³ The Opposition Leader contrasted his youth, vigour and innovative ideas with a Prime Minister characterised as on the way out. This was

³⁹ *Age*, 20.9.04.

⁴⁰ Barrie Cassidy, 'Latham in danger of developing persecution complex', *Australia votes: Federal Election 2004*, www.abc.net.au/elections/federal/2004, 23.9.04.

⁴¹ *SMH*, 27.9.04.

⁴² *SMH*, 29.9.04.

⁴³ Geoff Walsh, *Australian*, 30.9.04.

encapsulated in the phrase: 'I'm ready to lead. He's ready to leave'.⁴⁴ Policies already launched such as the tax package, higher bulk billing rebate and additional school funding were re-emphasised. There were some new concessions for pensioners and grandparents. Latham's main announcement was 'Medicare Gold', a \$2.9 billion plan to pay all health costs for Australians over 75. Taking these people out of the private health insurance system would allow the funds to reduce premiums by 12 per cent. It was a bold initiative, easily communicated and with much potential appeal to older Australians and their families. Many commentators felt 'Medicare Gold' had given Labor new momentum in the campaign. However, as with a number of Latham's other policies, there was a downside. Voters over 55 were Howard's rusted on power base. Polls showed 60 per cent of this group supporting the Coalition.⁴⁵ Pollster Sol Lebovic commented: 'Latham is challenging Howard on the Coalition's strengths, the older vote. This is bold and gutsy, but it is also risky'.⁴⁶ To use a military analogy, a frontal attack on the most heavily fortified part of the enemy's line rarely pays dividends.

Latham unveiled his forestry policy at the beginning of the final week of the campaign. The timing was controversial within the Latham camp, with some advisers believing that Labor should emphasise its initiatives to ease the financial pressure on families in the run up to the poll. The policy was written inside Latham's office with no outside consultation. Labor's shadow environment minister, who had his name on the policy, did not see it before it was released.⁴⁷ Latham took a strong pro-environment stand, promising to protect 240,000 hectares of Tasmanian forests subject to finalisation by a scientific review. In reality, the policy was as much about Green votes in capital city seats on the mainland as it was about Tasmanian forests. The polls showed the ALP struggling to get above 40 per cent of the primary vote. If it was to win, Labor needed a strong flow of Green preferences. Latham was thus gambling that the gain on the mainland would outweigh the damage in Tasmania where Labor held all five Federal seats. Early reactions were not encouraging, with timber workers, the Tasmanian Labor Premier and a Federal Labor MP from Tasmania all vigorously attacking the policy.⁴⁸

Howard responded with his forestry policy two days later. He promised to save 170,000 hectares of Tasmanian forest but guaranteed that no jobs in the timber industry would be lost. Media images of timber workers cheering Howard received much exposure. Environmentalists claimed that there were, in fact, no plans to log the areas Howard promised to save.⁴⁹ In reality, Howard's announcement was a ruse, a cosmetic policy that had some semblance of environmental soundness but was really about winning Tasmanian seats. He had little to lose as Green preferences were always going to flow overwhelmingly to Labor.

⁴⁴ *SMH*, 30.9.04.

⁴⁵ *SMH*, 2.10.04.

⁴⁶ *Australian*, 2.10.04.

⁴⁷ *Australian*, 27.11.04.

⁴⁸ *SMH*, 5.10.04; 7.10.04.

⁴⁹ *Australian Financial Review*, 7.10.04.

The last part of the campaign saw a huge, negative advertising blitz from the Government. The theme was that Latham as Prime Minister would be a dangerous experiment. Some advertisements attacked Latham's record as Mayor of Liverpool with the message 'If you can't run a council, you can't run a country'.⁵⁰ Others pushed the line that a Latham victory would jeopardise economic prosperity and push up interest rates. A feature of these advertisements was that 'the L in Latham is set out like a learner driver's plate. It's a simple message: L plate Latham will prang the economy'.⁵¹

Labor was not the only target of the Government's negative advertising. Liberal insiders were concerned about the so-called 'doctors' wives', Liberal voters in safe seats unhappy about Howard's conservatism, particularly the war in Iraq and the hard line on asylum seekers, who might defect to the Greens. To counter this, the Liberal Party launched a campaign urging voters to consider some of the Greens' more radical policies before switching. A glossy pamphlet distributed by the Liberals in seats considered vulnerable to this phenomenon claimed that the Greens advocated: 'Medicare funding for sex change operations, increasing company tax, phasing out negative gearing, legalising the party drug ecstasy, scrapping the 30 per cent private health rebate'.⁵²

Labor's advertising was more varied than the Coalition's. Positive advertisements promoted its health, education and family assistance policies. Others claimed Latham was 'ready to lead'. There were also negative advertisements. The Government was attacked as the highest taxing in Australia's history. It was claimed that Coalition policies would make health care and higher education accessible only to the rich. Much emphasis was placed on the likelihood of Howard being replaced after the election by the less popular Costello.⁵³ Michelle Grattan wrote of this strategy: 'Labor's pitch that a vote for Howard was a vote for Costello was misjudged. Voters mightn't particularly warm to Costello, but they believe he has done a good job with the economy'.⁵⁴

At the end of the campaign, the polling evidence pointed to a Howard victory. AC Nielsen's final survey had the Coalition on 54 per cent of the two-party preferred vote. A Galaxy poll commissioned by the *Daily Telegraph* also had the Government ahead with 52 per cent.⁵⁵ *Newspoll's* survey of 6–7 October had both Parties on 50 per cent, with the Coalition slightly down from the 50.5 per cent recorded at the beginning of October. However, *Newspoll's* survey of twelve key marginal seats showed the Coalition ahead 51.5 per cent to 48.5 per cent.⁵⁶ The final Morgan poll

⁵⁰ *Australian*, 20.9.04.

⁵¹ *SMH*, 4.10.04.

⁵² *Australian*, 20.9.04.

⁵³ *SMH*, 20.9.04; 4.10.04; 11.10.04.

⁵⁴ *Sun Herald*, 10.10.04.

⁵⁵ *SMH*, 9.10.04; *Daily Telegraph*, 8.10.04.

⁵⁶ www.newspoll.com.

was the exception, showing Labor leading with 51 per cent of the two-party preferred vote.⁵⁷

*The Results*⁵⁸

Although a Government victory seemed likely by the end of the campaign, the extent of it surprised almost everyone. The Coalition polled 52.7 per cent of the two-party preferred vote, an increase of 1.8 per cent. Labor's primary vote fell 0.2 per cent to 37.6 per cent. The Liberal primary vote was 40.5 per cent, an increase of 3.4 per cent, and the Nationals polled 5.9 per cent, up 0.3 per cent (the Northern Territory Country Liberal Party polled 0.3 per cent). There was a two-party preferred swing to the Government in all States. Tasmania, Western Australia and Victoria recorded swings to the Coalition of over 3 per cent. The lowest swings were in NSW and South Australia, 0.3 per cent in both cases.

On the extreme right, One Nation declined into irrelevance, polling only 1.2 per cent. On the left, the Democrat vote collapsed, falling by 4.2 per cent to 1.2 per cent. As expected, the Greens replaced them as the third force in Federal politics. However, the Green vote did not increase as dramatically as many had predicted, rising by 2.2 per cent to 7.2 per cent. In 2001, the combined Green and Democrat vote in the House of Representatives was just over 10 per cent. Labor's hopes of coasting to victory on Green preferences proved to be misconceived. According to Antony Green, the results showed that regardless of how many Green preferences the ALP receives

Labor cannot win from a primary vote of just [38 per cent]. It seems Labor and the Greens are fighting over the same block of voters on the left of the political spectrum, when the only way for Labor to win is by making inroads into swinging voters now wedded to the Coalition.⁵⁹

After redistribution, the notional state of the House before the election was Government 83, Opposition 63, Independents 3, Greens 1. The Government won 87 seats while Labor dropped to 60. The three Independents — Bob Katter, Tony Windsor and Peter Andren — were easily re-elected. The Liberal Party won from Labor: Greenway in NSW, Hasluck and Stirling in Western Australia, Kingston in South Australia, and the new seat of Bonner in Queensland which was notionally Labor. The Liberals held Wakefield in South Australia which was notionally ALP on the new boundaries. In a reaction against its forestry policy, Labor lost Braddon and Bass in Tasmania to the Liberals. Labor gained Richmond in NSW from the Nationals and Parramatta from the Liberal Party. The latter result seems to have been at least partly due to a highly publicised scandal involving the sitting MP. Cunningham returned to the ALP after having been won by the Greens at a by-election in October 2002. In South Australia Labor won Adelaide and Hindmarsh.

⁵⁷ www.roymorgan.com.

⁵⁸ All results are from the Australian Electoral Commission website, www.aec.gov.au.

⁵⁹ *SMH*, 1.10.04.

House of Representatives: Percentage of first preference votes

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUS
ALP	33.28	40.45	34.78	34.75	36.75	44.58	50.25	44.27	36.51
LP	36.16	43.24	39.41	48.13	47.40	41.98	35.23	-	40.47
NP	9.19	3.51	9.75	0.63	1.02	-	-	-	5.89
CDP	1.22	0.02	-	-	-	-	-	-	0.62
CEC	0.30	0.47	0.36	0.60	0.03	0.37	0.37	0.26	0.36
CLP	-	-	-	-	-	-	-	43.84	0.34
CLR	3.41	-	-	-	-	-	-	-	1.12
DEM	1.07	1.07	1.37	1.49	1.88	-	2.40	2.37	1.24
FFP	0.77	2.38	3.67	0.24	4.31	2.84	-	1.10	2.01
GRN	8.09	7.45	5.06	7.67	5.44	9.88	10.76	6.21	7.19
HAN	1.40	0.14	1.98	2.52	1.13	-	-	-	1.19
OTHER	5.10	1.29	3.63	1.74	2.04	0.35	0.99	1.96	3.05

Party abbreviations

- ALP: Australian Labor Party
- CDP: Christian Democratic Party (Fred Nile Group)
- CEC: Citizens Electoral Council of Australia
- CLP: Northern Territory Country Liberal Party
- CLR: Country Labor Party
- DEM: Australian Democrats
- FFP: Family First Party
- GRN: Australian Greens
- HAN: Pauline Hanson's One Nation
- IND: Independent
- LP: Liberal Party of Australia
- NP: National Party of Australia

Source: Australian Electoral Commission, *Electoral Newsfile*, No. 121, February 2005

Overall, the Government further tightened its grip on the key marginals around the capital cities. As Green noted:

Once again, government has been determined in the mortgage belt seats of the capital cities. Seats like Aston in Melbourne and Macarthur in Sydney, seats

dominated by relatively new housing estates, are now Liberal-held with margins greater than traditional blue-ribbon seats like Higgins, Kooyong and Wentworth.⁶⁰

Other commentators pointed to Labor's poor showing in non-metropolitan areas:

Labor won only 14 of the 63 provincial and rural seats, or 22%. It won 19 out of 46 outer metropolitan seats, more than 41%. While 41% of outer-metro seats is not good for Labor, it pales in comparison with the Party's showing in the regions.⁶¹

One of the biggest surprises was the Senate result, with the Coalition winning control of the Upper House. No Government has had control of the Senate in its own right since 1981. The Coalition polled 45.1 per cent, up 3.3 per cent from 2001, and won 21 seats (Liberal 17, Nationals 3 and Country Liberal Party 1). With the 18 seats the Government already has, this will give it 39 of the 76 Senators from 1 July 2005. Labor won 16 of the 40 vacant Senate seats with 35.0 per cent of the vote, up 0.7 per cent. The Democrat vote fell sharply, down 5.2 per cent to 2.1 per cent. All three Democrat Senators seeking re-election were defeated. As in the House of Representatives, the Greens did not poll as well as expected. They won two seats with a vote of 7.7 per cent, up 3.3 per cent. In a surprise result, the Christian Family First Party polled 1.8 per cent and elected a Senator in Victoria. One Nation polled only 1.7 per cent compared to 5.5 per cent in 2001. The make up of the new Senate will be: Coalition 39, Labor 28, Democrats 4, Greens 4, Family First 1.

Conclusion

A problem many commentators identified in Labor's campaign was the 'small target' strategy, leaving the release of key policies until the election was underway so that opponents had as little opportunity as possible to attack them. Michelle Grattan, for example, observed:

The tactic of holding back major policies, including tax and family policies and Medicare Gold, was too clever by half. It was just not possible to sell so much so quickly. Voters thought it all sounded too good to be true.⁶²

Hugh Mackay noted that leaving the release of policies until the campaign would not have been such a problem if Latham had been

a better known or better understood leader. But voters need one or the other if they are going to hand the reins to an Opposition: either the leader must be a known quantity or all the key policies . . . must be so compelling as to compensate for the unfamiliarity of the leader.⁶³

⁶⁰ *SMH*, 1.10.04.

⁶¹ P van Onselen and P Senior, 'Labor's hopes rest in the bush', *SMH*, 13.12.04. The classification of seats used is that of the AEC.

⁶² *SH*, 10.10.04.

⁶³ *SMH*, 2.10.04.

Senate: Percentage of first preference votes

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUS	Seats
ALP	36.37	36.12	31.65	32.52	35.49	33.54	41.10	41.37	35.02	16
LP	-	-	38.29	49.34	47.49	46.13	37.87	-	17.65	17
NP	-	-	6.61	0.86	0.40	-	-	-	1.37	3
LNP	44.12	44.10	-	-	-	-	-	-	25.72	
CDP	2.61	0.34	-	1.88	-	0.65	1.56	-	1.18	-
CLP	-	-	-	-	-	-	-	45.40	0.35	1
DEM	2.20	1.86	2.20	2.00	2.39	0.82	2.14	4.73	2.09	-
DLP	-	1.94	-	-	-	-	-	-	0.49	-
FFP	0.56	1.88	3.37	0.85	3.98	2.38	-	-	1.76	1
FPY	0.54	-	1.28	-	-	-	-	-	0.42	-
GRN	7.34	8.80	5.40	8.06	6.60	13.29	16.36	7.60	7.67	2
HAN	1.89	0.72	3.14	2.45	1.14	-	-	-	1.73	-
HMP	0.60	-	0.77	-	-	-	-	-	0.35	-
LFF	0.53	1.84	0.98	0.50	0.29	-	-	-	0.90	-
OTHER	3.22	2.40	6.31	1.55	2.23	3.19	0.96	0.91	3.31	-

Party abbreviations

ALP: Australian Labor Party
 CDP: Christian Democratic Party (Fred Nile Group)
 CLP: Northern Territory Country Liberal Party
 CLR: Country Labor Party
 DEM: Australian Democrats
 DLP: Democratic Labor Party (DLP) of Australia
 FFP: Family First Party
 FPY: The Fishing Party
 GRN: Australian Greens
 GWA: The Greens (WA) Inc
 HAN: Pauline Hanson's One Nation
 HAR: Tasmanian Independent Senator Brian Harradine Group
 HMP: Help End Marijuana Prohibition
 IND: Independent
 LFF: Liberals for forests
 LP: Liberal Party of Australia
 LNP: Liberal-National Party (combined ticket)
 NDP: Nuclear Disarmament Party
 NP: National Party of Australia
 VPG: Vallentine Peace Group

Source: Australian Electoral Commission, *Electoral Newsfile*, No. 122, February 2005

In the final analysis, the electorate was far from persuaded that Latham was ready to lead. He was seen as too risky a choice. Many voters were curious about Latham but ultimately not interested.

Howard, by contrast, was widely perceived as safe and reliable if not exciting or inspiring. While some voters had reservations about him, there does not seem to have been a pervasive feeling that he was a spent force. Mackay commented that the Government was

given widespread credit for sound economic management, even by those who insist that the foundations were laid by Hawke and Keating, and for being appropriately tough on national security issues.⁶⁴

The Government, on the whole, ran a superior campaign. Howard rarely deviated from his strategy of combining a fear campaign about the economy with the offer of massive largesse. The alternative Labor was offering often seemed reactive and cobbled together. No clear message came through. Latham was unable to outline a coherent vision let alone persuade the electorate to adopt it.

The Government also seems to have campaigned better at the organisational level. This was partly due to the wide range of resources that have been made available to sitting Members. However, a post-election review meeting of the Labor shadow cabinet was told that there were problems with 'the Party's polling, with the advertising, with the marginal seat campaigning . . .'.⁶⁵ Paul Kelly wrote during the campaign that there were signs that 'the aura of invincible professionalism that was once synonymous with Labor is shifting to the Liberal team'.⁶⁶

More generally, the 2004 campaign provided some evidence that the nature of electoral politics had changed. After the painful restructuring of the 1980s and 1990s, the economy was booming. Incumbency was once again an advantage. As in the post-war 'long boom', most voters were not inclined to jeopardise existing prosperity by a change of government unless there was an overwhelming reason. The majority believed that they had little to gain and perhaps much to lose. In addition, the Government had the advantage of an incumbent in good economic times of having large sums at its disposal to buy re-election. The 2004 campaign also indicated that the new right agenda of smaller government and market liberal economics was no longer as predominant. In another echo of the 1950s, consensus politics and the welfare state seemed to be making something of a comeback. ▲

⁶⁴ *SMH*, 22.9.04.

⁶⁵ *SMH*, 28.10.04.

⁶⁶ *Australian*, 17.9.04.