

A Parker&Partners guide to working with a possible Labor Government



Editor Jodie Jansen

"The absolute essential to lobbying Kevin 07? It's the caucus stupid. Effective engagement with influencers, third party stakeholders and the community will be more essential than ever."



Contributor Peter Shmigel

"There are big opportunities in the freshness of Rudd. I think it will help create big new environmental ideas. However this enthusiasm will need to be tempered with practicality."



Contributor Rod Cameron

"Rudd is assiduous about obtaining the views of interested stakeholders (particularly in business) and despite not suffering fools, he has impressed many with his ability to forge consensual outcomes in the face of sharply divergent views."



Contributor Rhylla Morgan

"The challenge for Rudd in leadership may be letting go of the many areas in which he has a personal passion. He will need to juggle as PM to maintain a high media profile and level of access across state and national media."

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Welcome



Dear reader, thank you for taking the time to read "Lobbying Kevin 07" - our guide to working with a possible Labor Government.

But let's not be presumptuous. Our democratic process is about to begin again and will allow the good people of suburban Brisbane, western Sydney and outer Adelaide to decide if Kevin 07 is a T shirt to keep or bin. The Prime Minister is, after all, a tenacious campaigner. His Government knows how to defend a marginal seat. They have huge resources and a strong, vibrant economy to underpin their campaign's core message.

But polls do not lie. Not when you have 20 back-to-back Newspolls stating a Rudd Labor Government is a very real chance of being elected.

Hence this guide. It is designed to more deeply assess and analyse what working with a Rudd Labor Government might involve. And rather than speculate on what a future under Rudd might feel like, my colleagues have researched and analysed speeches, policy announcements and spoken to the key players within Labor.

With Gordon Brown's ascendancy to No 10, Britain and business had quality time to critically assess what the Chancellor would be like as the Nation's Prime Minister. We know a lot less about Rudd; even his recent biographies offered little real insight into what his style and approach will be like if he is elected to our highest office.

P&P does not purport to have all the answers to the many Rudd Government questions, but we have sought to use our team's expertise and research skills to tackle the most pressing questions for our clients in business, industry, NGOs, government agencies and not for profits.

I would like to thank the P&P team, contributors and particularly the guide's editor, Jodie Jansen, who has helped pull this publication together.

We think this document is an essential tome for all those interested in politics and in particular, the interplay between business and politics.

So enjoy and keep the guide handy, just in case, later this year, the Rudds pack up their Prius, drive to Canberra and move in to The Lodge.

Regards,

Andrew Parker

P.S. We are keen for your feedback, comments, corrections or brickbats. Log on to our blog at www.p-p.com.au/blog and fire away.





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FAR LEFT: Andrew Parker with Kevin Rudd at the P&P 'Budget Reply' Boardroom Lunch, May 2007

LEFT: Kevin Rudd with wife Therese Rein and their children Jessica (22), Nicholas (20) and Marcus (13), outside Parliament House in Canberra, December 2006.



Introducing Kevin Rudd

With rumours such as he prefers his coffee black with no sugar (he's sweet enough); he only gets out on the right side of bed each morning (we have a sneaking feeling there might be a pun here); or he has a secret crush on ABC presenter Fran Kelly, it's difficult to separate the fact from fiction on Opposition Leader Kevin Rudd.

P&P is keen to shed some light on Kevin's persona and we are pleased to confirm the coffee rumour is a furphy. He doesn't even drink coffee; he's a tea man. Irish breakfast with milk. And no sugar.

But it takes more than tea, the loss of a father at a young age, diplomatic stints in far-flung countries and the killing of rats in a cold apartment in Beijing to form the character of the wanna-be leader of Australia portrayed on the Kevin07 website.

What is unusual about Rudd, as a Labor leader, is that he has almost none of the traditional support base within the Parliamentary Party that would normally be expected.

It is a poorly kept secret that he has few friends or confidants in caucus, no union backing and, as he hails from a sub faction of the Queensland Right (with only one other member in the Federal Parliament), no factional power base.

Against this background, Rudd's office will play a pivotal role in maintaining caucus discipline. Howard and his office are famously accessible to Ministers, backbenchers and other government staff and we expect Rudd's office will retain this accessibility.

Although Rudd will be offered advice from many quarters he will largely keep his own counsel. His Chief Political Adviser Alistair Jordan is one of the few people Rudd regularly consults in his decision making. Rudd is also close to Mark Arbib, the current NSW General Secretary, who will become a Senator after the election and remain one of Rudd's chief strategists. Despite positive early signs, it is too early to tell if David Epstein, his new Chief of Staff, will also join this inner, inner circle.

Ever the diplomat, Rudd's leadership instincts are to negotiate to consensus, or at least acceptable compromise. Rudd's policies have been about bringing people together and he has taken few controversial stands. Even in a key area of differentiation with the Coalition, industrial relations, he has sought to soften the policy he inherited from Beazley to make it more palatable for business while still retaining important union support.

More than just a "small target" electoral strategy, Rudd sees himself as the nation's peacemaker. From offering to help negotiate Howard's Murray Darling Basin Agreement with Victoria, to offering bi-partisan support for the intervention in the Northern Territory, Rudd understands the public is fed up with the blame shifting between state and Federal Governments and with oppositions that always oppose.

In a style more reminiscent of Hawke, Rudd as PM will continue to look to broker compromise solutions.

What is unusual about Rudd, as a Labor leader, is that he has almost none of the traditional support base within the Parliamentary Party that would normally be expected.

OPPOSITE: Kevin Rudd speaking at the Labor Party Conference held at the Convention Centre in Darling Harbour, April 2007.

Leadership qualities: Kevin Rudd vs. John Howard	RUDD	HOWARD
Charismatic inspiration	Medium	Low/Medium
A clear sense of purpose	Medium/High	High
Co-operation – works well with others	Medium/Low	Medium/High
Ability to encourage and nurture those who report to them - delegate in such a way as people will grow	Low	Medium/High
Attention to detail	High	Medium
Initiative and entrepreneurial drive	Medium/High	High
Vision - articulate an ideological vision congruent with the deeply-held values of followers	Medium/High	High
Expectations of, and confidence in, followers	Medium/Low	High
Frame alignment - to persuade followers to accept and implement change	High	Medium

Dream Team?

Labor's future frontbench and rising stars

Having won Government it is very likely the factions and their key players will re-assert their authority within the party.

Despite the criticisms of some in Government and media, analysis suggests Labor has reasonable depth on its shadow frontbench with many talented shadows ready to step up into key portfolios in Government.

Many have done some hard policy yards with the meagre resources of Opposition. We can expect to see Wavne Swan, Stephen Smith, Jenny Macklin, Anthony Albanese, Lindsay Tanner, Martin Ferguson, Stephen Conroy, Julia Gillard and Nicola Roxon all with senior Ministerial portfolios.

Important committees such as the Expenditure Review Committee (ERC) will also be drawn from this group of MPs and Senators.

Expect ERC to look like: Kevin Rudd MP (Chair); Wayne Swan MP; Lindsay Tanner MP; Stephen Smith MP; and Julia Gillard MP or Senator Stephen Conroy.

We can also expect to see women feature much more prominently in Cabinet under Labor – in addition to Jenny Macklin, Julia Gillard and Nicola Roxon mentioned above, Tanya Plibersek and Penny Wong have shown themselves as talented performers.

In addition, new talent is also finding its way into the Parliament with Greg Combet, the talented and popular former ACTU Secretary; Bill Shorten, former National Australian Workers Union Secretary; and Bob Debus, former senior NSW Government Minister. All are likely to be elected in the lower house. NSW General Secretary Mark Arbib and Doug Cameron, former National Secretary of the Australian Manufacturing Workers Union (AMWU) will both be elected to the Senate in NSW, although won't commence their terms until mid 2008 and so will miss out on the first round of portfolio allocations.

Theoretically it is the Labor caucus that will elect the Leader, Deputy Leader, and frontbench after an election win, with the Prime Minister distributing the portfolios. While Kevin Rudd obviously remains Leader and PM, the Deputy's position is less certain. The extent to which PM Rudd will be able to exert his preferences for the makeup of his frontbench is also unclear.

After winning what many saw as the un-winnable election in 1993, Paul Keating was able to take much of the personal credit for this win and effectively chose his Ministry.

Rudd is currently able to take a great deal of personal credit for Labor's position in the opinion polls as his personal popularity is very high. This won't change if Labor wins office, given the task ahead of









and resulting good polling numbers that is keeping such tight discipline in the Labor ranks at present.

During his installation as Leader, Rudd was also able to insist on a few individuals of his choosing.

them. It is this personal rapport with the electorate

able to insist on a few individuals of his choosing being brought onto the frontbench, notably Peter Garrett, Craig Emerson and Bob McMullan.

However, after the election this may change. Having won Government it is very likely the factions and their key players will re-assert their authority within the party.

Rudd gained the numbers for the leadership from a combination of those who wanted to see Gillard as Deputy and saw a joint leadership ticket as the way to achieve that goal. Others saw him as Labor's best chance to win the election.

Rudd has no power base of his own and this may diminish the authority he is able to exert from that one would normally expect of a leader with his popularity and electoral success.

The roles of Deputy PM and Treasurer are also unclear. Traditionally the Deputy Leader chooses his or her portfolio and in Government Labor Deputy PMs have almost always been Treasurers.

The question remains whether Julia Gillard will be content to remain Minister for Industrial Relations and whether the factions will allow her to become Deputy PM. If she does secure the number two spot, will she demand – as is her right – the Treasury spot? Our view is Gillard will become Deputy and Swan will become Treasurer.

In addition to the better known shadow ministers, Labor also has talent on its backbench who have been active on policy in Opposition. These include: Queensland backbenchers Bernie Ripoll and Kirsten Livermore; Victorian MPs Anna Burke and Catherine King; and a likely big promotion for current Shadow Assistant Treasurer Chris Bowen.

Good quality candidates who will make it into Parliament should they win enough seats to form Government include Major Peter Tinley AM formerly of the SAS standing in Stirling, Former ALP National Secretary Gary Gray in Brand, Business entrepreneur George Collbran in the Townsville-based seat of Herbert and Colonel Mike Kelly AM in Eden Monaro.

TOP: Popular former ACTU Secretary Greg Combet. **ABOVE:** Bill Shorten in Beaconsfield, Tasmania.

RIGHT: From left, Labor's Tanya Plibersek, Kirsten Livermore, Bernie Ripoll, Wayne Swan, Jan McLucas, Justine Elliott, Julie Owens, Maria Vamvakinou at the Carers of Disabled People protest at Parliament House, 2005.

OPPOSITE: Labors front benchers in Parliament.

10 things you didn't know about Kevin

Kevin Rudd and Wayne Swan grew up in the same Queensland town – making it either the most or least eligible place for Federal funding under a Rudd/Swan Labor Government.

2 They also used to share a house together before a significant falling out in 2003 over the ALP's leadership.

3 "Kermit" Rudd has promised to ditch his Australian-built Ford Territory for a fully-imported but theoretically "greener" Toyota Prius. What happens to the Prius after he switches to full-time limo and driver as PM?

4 Rudd's older brother, Malcolm, served in Vietnam with the Australian Army (and chooses not to march on Anzac Day).

5 His father Bert Rudd was a member of Queensland's Country Party.

6 He used to clean Laurie Oakes' bathroom while a student at ANU.

7 Rudd could have been an Aussie James Bond but turned down an intelligence job in 1988 with the spy agency the Office of National Assessment in London.

Rudd claims inspiration from Dietrich Bonhoeffer, a German pastor who was hanged aged 39 for his role in an attempt to assassinate Adolf Hitler.

In an article for a religious journal, Rudd declared: "If the churches are barred from participating in the great debates about the values that ultimately underpin our society, our economy and our polity, then we have reached a very strange place indeed."

10 The set text for Kevin Rudd's final year at Nambour High was A Man for All Seasons, which is the story of Thomas More refusing to endorse Henry VIII's divorce.



Decision making under a Rudd Government

By Rod Cameron

With the caveat that this writer does not yet see a Kevin Rudd Government as an inevitable result of current favourable polls for the ALP, it is nonetheless appropriate to pose the question: what would the decision making style of a Rudd Government be like?

Despite Rudd's (not unfairly acquired) reputation as a control freak, he would in fact, adopt a consensual approach to decision making.

He has consulted widely with a broad range of intra and extra political circles in Labor's policy development in opposition – the tortuous process of Labor's IR policy is a case in point.

He is assiduous about obtaining the views of interested stakeholders (particularly in business) and despite not suffering fools, he has impressed many with his ability to forge consensual outcomes in the face of sharply divergent views.

He has been a good "executive chairman" of both policy development and political strategy committees, earning the admiration of most of his key Shadow Ministers.

Rudd will be a sensible centre right chairman of Cabinet very much in the Hawke mould.

Media reports have pointed to tensions between Rudd and Shadow Treasurer Wayne Swan (on past competitive grounds) and with Shadow IR Minister, Julia Gillard (on policy grounds). These reports are much exaggerated and while tensions in government are inevitable, there will be little baggage around the cabinet table from past differences.

The key Ministerial influences on Kevin Rudd's decision making in government are likely to be: Wayne Swan; Julia Gillard; Lindsay Tanner; Stephen Smith; and Anthony Albanese (especially on parliamentary tactics).



Guarding the light on the hill

Labor stakeholders

Effective third party advocacy and genuine engagement in community campaigning will be more important than ever

OPPOSITE: Labor front benchers Anthony Albanese, Wayne Swan and Kerry O'Brien with delegates to Labor's Climate Change Summit.

BELOW: University students protest against government education funding cuts as they march up Bourke Street. Melbourne 1996.

One of the key areas where there is some real divergence between Labor and the Coalition is with their traditional constituencies and stakeholders.

Where business is undisputedly the most influential constituency for the current Coalition Government, this might be expected to shift slightly; not that business constituencies will lose access and influence under a Labor Government, but business dominance will be tempered as other groups are elevated to more influential positions when determining government policy.

Naturally, the union movement is a central part of the equation for Labor but other significant stakeholders that can expect to play more of a role in influencing a Labor Government include:

- Young people through the National Union of Students and Young Labor;
- Community and welfare groups such as Australian Council of Social Service (ACOSS); and
- The Council for Overseas Aid (ACFOA), consumer groups and other special interest groups.

Labor arguably has a much more active and influential rank and file membership than the Liberal and National Parties.

Campaigns run by members can also affect Labor policy as was the case in 2004 where Labor's immigration policy was heavily influenced by a very successful, broadly based 'Labor 4 Refugees' campaign by the party membership.

Where these groups have occupied somewhat marginal or protest positions in relation to the current administration, they are likely to be more closely engaged by Labor and play a more significant role in shaping policy direction on any number of issues and budgetary priorities.

In light of the high profile of environmental issues, the anticipated strengthening of the Greens' position in the Senate and the background of spokesperson Peter Garrett will ensure environmental issues remain front and centre.

Labor are likely to more proactively engage with groups such as the Australian Conservation Foundation, World Wide Fund for Nature (WWF), Greenpeace, Landcare and others to sure up support for their policies. It will be one area to watch to see how Labor's relationships with these groups develop and whether they are used for window dressing or serious policy development.

Many more stakeholder groups may be more engaged by a Rudd Government in comparison to the Coalition. However some may find the compromises all governments must make to be disappointing.

What does this mean for those seeking to influence Labor Government policies? Effective third party advocacy and genuine engagement in community campaigning will be more important than ever.

An even broader range of stakeholders will need to be engaged. Unions for example are often perceived purely as industrial bodies but many undertake active research and policy development in their industries.

Industry groups should seek out areas of common interest where collaboration can be beneficial.



Media that will matter

His office has a reputation for tightly managing media and Rudd is not afraid to jump in and manage media himself. Kevin Rudd isn't shy about pursuing and courting media. Like his recently retired fellow Queenslander Peter Beattie, Rudd is known as a bit of a media "tart".

Most days he can be found in front of a microphone issuing a statement or responding to an issue, as Opposition Leaders do. It can be argued this high level of media activity comes with the role of Opposition Leader. However we can assume Rudd will maintain an intensely busy media schedule if elected, albeit with some different approaches to that of John Howard.

Rudd is the poster boy for media training. It is unusual to see him falter or get pulled off message; he sticks rigorously to his chosen themes and repeats well-rehearsed sound bytes relentlessly, even when under pressure from seasoned interviewers. The fact that many journalists are increasingly frustrated by interviews with Rudd speaks volumes for this pre-election disciplined approach.

His office has a reputation for tightly managing

media and Rudd is not afraid to jump in and manage media himself.

A famous example of this was when earlier this year Rudd, and his media adviser Lachlan Harris, made numerous and lengthy calls to editors urging them not to run a story about his late father.

Rudd has worked hard on his media performance and as a result is a confident performer; he also turns down few requests. A thorn in many politicians' sides, ABC's irreverent Chaser program is not turned away from Rudd press conferences and recently Rudd deftly responded to a question posed in Mandarin by Julian Morrow without missing a beat.

Having made himself so available there is an expectation from media that he will continue to be so – any step back from this accessibility is likely to generate criticism. When he declined requests to be interviewed on Brisbane radio recently to discuss housing affordability he received pointed disapproval from local radio presenters for "not having time for them".

Some of the key media personalities and outlets that will be significant for Rudd include:

LAURIE OAKES

Leaders come and go but Rudd will continue to treat Oakes as the royalty that he is.

4B0

Rudd might currently be accused of ignoring Brisbane radio but you can rest assured if Rudd wins the seats in South East Queensland he needs to win Government he will become a regular on major Brisbane AM radio and talkback.

LOCAL RADIO

Rudd's team will also be focusing keenly on engaging with local radio in marginal seats in Melbourne, Adelaide and Perth as they will be integral to harnessing and building support in those electorates.





VOLITURE

Howard might have won kudos for being a YouTube player but expect a younger, engaging Rudd to effectively use digital media as much as the current PM uses talkback radio. The Kevin07 campaign shows a comfort and enthusiasm for the medium that can be expected to continue and grow.

DAILY TELEGRAPH

Rudd has recently courted Editor David Penberthy to good effect and knows the influence of the high circulation News Ltd tabloid. He will be much more cautious about accepting hospitality after his 'Scores" incident in New York but will work to maintain this important relationship.

SUNRISE

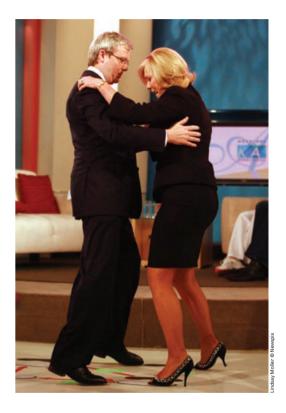
Rudd was disappointed when he had to step down from his regular Sunrise slot but will be keen to maintain his connection to their demographic.

INTERNATIONAL MEDIA

Although as leader Rudd has turned his focus to domestic issues and stepped back from the day-to-day of foreign affairs, if elected he will be occasionally focused on regional international media. His considerable international experience will make him a savvy operator in this space with the likes of CNN and CNBC.

WOMEN'S MEDIA

Rudd and his team, Gillard in particular, have engaged with magazines such as Women's Weekly and The Australian Weekend Magazine granting access for numerous profile pieces designed to reach out to female voters around the country and give some focus into the private sphere and tell a personal story. Rudd's dancing rehearsals on Kerri-Anne Kennerley's show ahead of his daughter's wedding showed another deliberate move to show this softer side and appeal to women viewers who may not have previously focused much on his policy position. He may have less time for sharing brownie recipes if elected but is likely to keep up this sort of media strategy.



CHASER

Despite giving the Chaser boys a slap over the wrist following their APEC stunt and claiming they'd 'stepped over the line', Rudd and his team are fairly comfortable with handling the Chaser's antics and have a willingness to roll with the punches. There is a realisation their younger constituency expect Rudd and his team to engage with this type of satire, fortunately strong media skills mean this isn't too much of a challenge for media savvy Rudd.

RIGHT: Kevin Rudd with Kerri-Anne Kennerley, on the Channel Nine set of 'Mornings with Kerri-Anne'.

OPPOSITE: Kevin Rudd at the Channel Nine studios in Melbourne.

New mandarins

Relationship with the bureaucracy

It is well known and widely reported that Kevin Rudd cut his political teeth as one of Queensland's top bureaucrats. Rudd's tenure as Chief of Staff to Queensland Premier Wayne Goss (1989-1992) and his subsequent position as Director-General of the Oueensland Office of Cabinet (1992-1996) gives us some indication as to how he might deal with the Australian Public Service (APS) if elected PM.

In both positions Rudd held a significant amount of power within the state system, and by all accounts he used that power to aggressively reform the Queensland bureaucracy. In the first four weeks of Goss's rule alone, eighteen department heads were removed and nine departments abolished completely.

Rudd was instrumental in the establishment of the Office of Cabinet and, as its head, presided over the effective centralisation of the Queensland Public Service.

Instituted with the aim of streamlining and unifying bureaucratic process, the Cabinet Office acted as a kind of middleman, sifting through Cabinet submissions and only sending on those it approved.

There has been some criticism that the Cabinet Office stultified policy initiative and helped contribute to the loss of the Goss Government in 1996.

Regardless, the way in which Rudd conducted himself as a powerful bureaucrat points to the possibility, if in power as PM, he is likely to institute an overhaul of Federal bureaucracy, streamlining government departments and their personnel.

Rudd has criticised John Howard for formulating policy using only Prime Minister and Cabinet (PM&C), which is the smallest of the central agencies. Rudd's reform agenda may be to bring more senior bureaucrats from Treasury and elsewhere into his department or to follow the advice of Treasury Secretary Ken Henry and consult more widely.

Our tip is that PM&C will be widely expanded and become the pre-eminent central agency in the APS.

There will be three waves of change across the Commonwealth departments. The first will involve 12 immediate changes in a handful of departments where

some senior public servants of the Howard era will resign or be asked to move on. The second will involve people who may be replaced as their contracts expire, and the third will be the routine appointments and changes made over the longer term.

There has been media speculation surrounding possible changes to the heads of the so-called mega departments. Favourites mentioned for the shortlist to head the Department of Prime Minister and Cabinet include: Glyn Davis, Vice Chancellor of Melbourne University; Terry Moran, current head of the Department of Premier and Cabinet in Victoria and former diplomat; and Department secretary and Olympics Chief, Sandy Hollway.

We could also expect to see former senior advisers to the Hawke and Keating Governments come back into senior public service positions.

Although Glyn Davis is considered the inside favourite because of his time as Director General of the Oueensland Department of Premier and Cabinet, many inside Labor have suggested what Rudd really needs is a Canberra insider. A person with intimate knowledge of the public service (and how it has operated) who can help Rudd implement his reform agenda in those early days of a new Government. "Someone who knows where all the bodies are buried and who knows the other pitfalls and opportunities," one said.

Despite some expected upheaval and procedural challenges, many serving bureaucrats will be excited by a change in Government. A new Government may well provide opportunities to float innovative policy directions the current Government has not been willing to entertain.

Our tip is that PM&C will be widely expanded and become the pre-eminent central agency in the APS.



New Federalism

Wall-to-wall Labor?

BELOW: COAG: State and Territory leaders join Prime Minister John Howard for a joint press conference following security talks at Parliament House. From left, ACT Chief Minister John Stanhope, SA Premier Mike Rann, QLD Premier Peter Beattie, NSW Premier Morris

Iemma, PM Howard, VIC Premier Steve Bracks,

WA Premier Geoff Gallop, TAS Premier Paul

Lennon and NT Chief Minister Clare Martin.

In 1995 Bob Carr memorably went back on his promise to abolish tolls on the M4 and M5 Motorways. The then Labor Prime Minister, Paul Keating famously criticised his NSW Labor mate and the two had a very public fight on the eve of a Federal election.

For these two long-time political friends, who formed their friendship in the halls of the NSW Labor Council at Young Labor events, it was a stark reminder that in spite of personal friendship, Premiers and Prime Ministers are often in conflict with each other.

Sure, the Canberra Press Gallery may be upset that with back-to-back Labor governments they won't be treated to the histrionics and pantomime walk outs that often accompany COAG meetings. And with all the States featuring Labor Premiers we certainly can

expect to see differences ironed out behind closed doors if Rudd is elected. But the truth is, there are fundamentally different agendas that constructive Federalism is unlikely to unite.

NSW Treasurers have run a specific long-term campaign arguing, in light of a housing and mineral boom in Queensland and Western Australia, that NSW taxpayers should not be expected to prop up their booming economies.

It would be unlikely to see a change to fiscal integration in GST revenues when there will be a Queenslander as PM, a Queenslander as Treasurer, and a whole lot of possible Queensland Labor marginal seat MPs.

Water is also an increasingly tricky area for Premiers and Prime Ministers to navigate. It is unclear whether Rudd will bow to Victorian Premier Brumby's demands that farmers in Victoria be better looked after. Although it can be assumed the national water agreement will result in a compromise of some kind between Victoria and the Commonwealth.

While Commonwealth/State relations may be about to become less publicly acrimonious, the competing interests that have been around since Federation are likely to continue in much the same way as always.

However, there is a (very) small possibility for radical change in the areas of health and education. If a Rudd Government agrees to take over all State health responsibilities (something Whitlam has been advocating), there is a chance the States could take over responsibility for higher education in return.

This would be a serious shake up in Commonwealth/ State responsibilities and while unlikely, if it were ever going to happen, back-to-back Labor Governments present the best opportunity.



Doing your colours

Marginal seat analysis

While the analysis of opinion polls in our media tends to focus on movements in the parties' primary and two party preferred votes, elections are won seat-by-seat. With the increasing focus on the Leaders and presidential style campaigning, the adage "when the swing is on, it's on" holds true

However there can be differences in the swings in the various electorates based on a myriad of factors including the popularity of local members or the impact of particular issues. For example Mark Latham's infamous forestry policy was considered the major factor in Labor losing seats such as Bass, Braddon and McMillan in 2004.

Due to factors such as declining party identification. and a larger than ever proportion of "soft" or "swing" voters, political strategists will tell you there is no such thing as a safe seat.

However what is particularly difficult in analysing the relative safety of the various seats needed to form Government in 2007 is uncertainty about how much current margins are due to the "Latham factor". In 2004 seats that were very marginal such as Dickson, Bowman and McEwen became safe Liberal seats.

Labor also lost seats such as McMillan, Hasluck and Stirling. These large swings are thought to be the result of a violent reaction to Mark Latham that caused soft Labor voters to desert the party. Such voters may naturally return to Labor with a less risky, more appealing Leader such as Kevin Rudd.

Overall in this election it is reasonable to speculate that Labor may do well in Queensland with a swing above the national average. Both Kevin Rudd and Wayne Swan hail from the "Sunshine State" and Queenslanders are still a somewhat parochial bunch who will like the idea of having one of their own as both PM and Treasurer.

On the other hand, it is widely thought that IR and the loss of their own Kim Beazley may dampen Labor's vote in Western Australia.

In times past there were many different ways that the characteristics of certain seats and communities determined allegiance to a political party. But no longer 14 do people vote the way their parents did and no longer

do the old "splits" or ways to segment the Australian electorate apply.

Catholic versus Protestant is gone – we're one of the most secular places on Earth. "Old" Australian versus "new" has gone too; we've (quietly) become one of the most multicultural societies in the world.

Finally, gone too is the traditional "working class" versus "non-working class" split along which Labor and the Coalition organised themselves for decades.

It's become fairly pointless to think about "blue" seats and "red" seats in Australia in 2007. No better illustration is the Howard battler phenomenon, or the fact that the tradie across the street has a new HSV and a \$100,000 Landcruiser parked in the driveway. Even within the same household, Mum may vote differently to Dad and their "boomerang generation" adult children will vote differently again.

Some commentators are suggesting new splits, such as inner city "culturalists" versus outer suburban "materialists" (which one supposes leaves the bush completely off the map).

But this doesn't mean that certain demographics, characteristics or issues do not influence voting in different seats. For our part, P&P believes we need a new "palette" in Australian politics to demonstrate the pluralities that are capable of determining election outcomes.

Therefore, we have analysed some of the marginal seats that Labor needs to win or hold to form Government according to particular socio-demographic characteristics, issues or other factors such as star candidates that may affect the outcome of that seat. We have allocated what we think are the major factors to each seat, though most Australian electorates will contain a mix of all these characteristics.

So, if you're thinking about where your interests lie and where you can use the election process to make a difference, it's time to do your colours.

Seats where environment and forestry issues will be influential. **Particularly Tasmania**

Seats where the ACTU Your rights at work campaign has been influential. For example high manufacturing areas in South Australia

Seats where drought conditions and water infrastructure issues could impact

Outer suburban, mortgage belt seats populated by families with concerns such as interest rates, petrol prices and cost of living

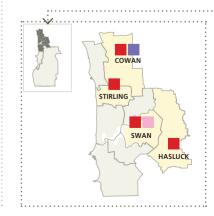
Seats where gay Australians and their concerns, for example entitlements for same sex couples, could impact the vote

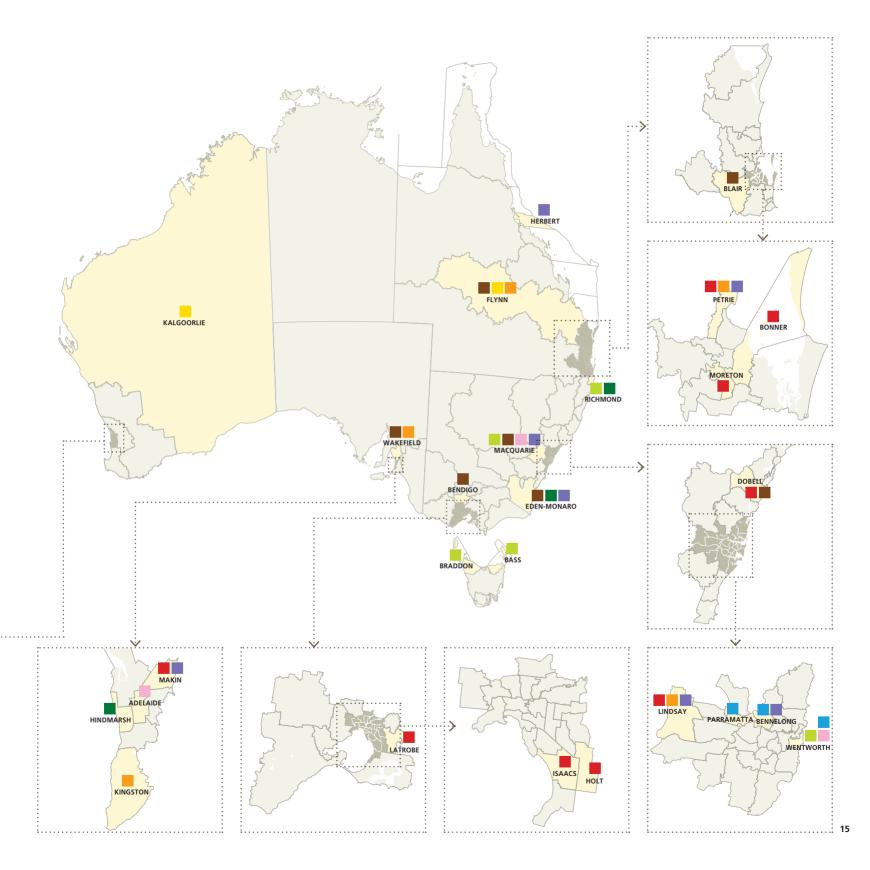
Seats where mining industry workers and issues could impact the vote

Seats where older Australians and their concerns could make a difference

Indicates seats that contain high numbers of particular cultural or ethnic groups

Indicates seats where the particular candidate may have a larger than usual impact or a popular local member is retiring





The Senate

Greenhouse or house of pain?

More often than not election analysis overlooks the potential outcome of the Senate race. It's understandable; the result in the Senate doesn't determine the Government. It does however determine the nature of government.

Absolute majorities do not happen often (now is the only time the Government has had the majority in the Senate since it grew from 64 to 76 in 1984). The current Government has made the most of its numerical advantage with a significant and sometimes controversial legislative reform agenda including industrial relations, voluntary student unionism and the full privatisation of Telstra.

The more common scenario in the Senate's recent history is the rise of minority parties or independents. Should we expect them to once again hold the balance of power, requiring governments to negotiate to get the necessary approval from the Upper House for the passage of controversial legislation (those without bi-partisan support)?

It is unlikely to be the Democrats – with all four of their Senators up for re-election a repeat of their 2004 vote will see them cease to be a Commonwealth Parliamentary Party and Don Chipp's 30 year legacy of "keeping the bastards honest" will be over.

Even taking into consideration some unknowns in the performance of Family First and Pauline Hanson, it seems inevitable the Greens will consolidate their position as the third force in Australian politics. But will they do enough to hold the balance of power?

There is also a distinct possibility of a problematic stalemate in the Senate. Currently the Senate comprises: 39 - Coalition (34 Liberal, 4 National and 1 Country Liberal); 28 - ALP; 4 - Democrats; 4 - Greens; and 1 - Family First.

So whatever happens at the next (half Senate) election, we know the Coalition has 19 Senate seats 16 that it cannot lose. Even if Labor wins three seats in

every State of Australia (the best possible outcome) they will still only have 34 of the Senate's 76 seats.

To achieve this result the Coalition secured a first preference vote of 45.09 percent to Labor's 35.02 percent in the Senate election. In recent polling – Labor have nearly reversed these percentages to be looking good for three seats in the majority of States. The exceptions could be WA and/or Tasmania, where the Greens could snatch the final seat away from Labor.

The Coalition will need more than 40 percent of the first preference vote to have any chance of securing three Senate seats in every State to maintain their current Senate majority. The recent joint-ticket deal between the Liberal and National parties in Queensland and generally positive polling in the West should see the Coalition win three seats in WA and the Sunshine State. NSW is also do-able for three, as is Victoria (but not with any certainty).

As well as Tasmania and WA, the Greens could capitalise on the demise of the Democrats and pick up seats in either NSW and/or Victoria depending on how the preferences flow. Based on their uncanny ability to work preferences and their strong showing in the recent state elections – P&P leans towards Family First plucking the final seat in South Australia.

Whatever happens, the Senate will be problematic for a Rudd Government. At best for Rudd, Labor will need the support of the Greens to control the Senate. At worst for Rudd, the Coalition could maintain its current numerical advantage despite losing the House of Representatives.

Based on this analysis and current polling, let's hypothesise that Labor will win three seats in all bar one of the states, the Coalition split the states and win three seats in half the States, the Greens win a total of three seats to add to their two from 2004 and Family First win another seat

It is going to be much more important to engage with the Opposition and minor parties to guarantee the successful implementation of a substantive policy decision.



With this result and existing Senate members, P&P's call of the composition of the Senate post 30 June 2008 is: 33 – ALP; 36 – Coalition; 5 – Greens; and 2 – Family First.

Remembering that in order to pass legislation in the Senate, 39 votes are required, this scenario poses significant problems for a future Rudd Government. The ALP cannot pass any legislation on its own and opposition parties only require 38 votes to block bills – so the Coalition with the support of Family First could block everything that Labor proposes.

Even more problematic for Labor, they will require the support of both the Greens and Family First to pass any bill without the support of the Coalition.

Outside of IR it's pretty hard to find a common policy position between these two parties, in fact the Greens and Family First openly despise each other.

Rudd could also be hoping potential Liberal/ National disharmony following an election defeat could be leveraged to entice Coalition Senators to cross the floor. Again, to find a Coalition Senator likely to support a bill put forward by Labor with the support of the Greens is unlikely.

This raises the distinct possibility of a double dissolution election early in the next term of government – as Labor struggles to implement its agenda. This is a very risky move and would only be attempted if Labor held a significant lead in the polls.

The most likely outcome is that Labor will be forced to pursue a fairly conservative legislative agenda to ensure the majority of legislation has bi-partisan support. It would enable the Right of the party to control the agenda, safe in the knowledge the Left's legislative agenda has very little hope of passing.

For business hoping to affect legislative or regulatory change it is going to be much more important to engage with the Opposition and minor parties to gain support for your position. Dealing with a Rudd Labor Government alone is unlikely to guarantee the successful implementation of a substantive policy decision.

It is also clear that the Greens will wield a great degree more power than they currently do. If the Coalition does more poorly than forecasted – it is highly possible that the Greens will hold the balance of power and gain a significant position of influence over Rudd Government policy and legislation. This will cause a great deal of concern for Labor – as the Greens are already campaigning strongly against Labor on its current IR policy platform.

Organisations should be thinking strategically about how they could work effectively with the Greens, particularly in demonstrating their environmental credentials.

Key business policies to look for

The key issues neither party has fully addressed are the regulatory and structural issues in the Australian telecoms market – with both parties putting the decision off until postelection.

1. INDUSTRIAL RELATIONS

A Rudd Labor Government will introduce its contentious IR policies as soon as possible. Their aim is to achieve nationally consistent industrial relations laws for the private sector through harmonisation with the states by referral of powers or other forms of cooperation. Australian Workplace Agreements (AWAs) will be phased out in favour of more emphasis on collective bargaining and common law contracts for those earning over \$100,000 pa. However Labor will retain many of the restrictions to site access by unions, strikes and secondary boycotts. Labor will also retain an exemption from unfair dismissal for businesses with less than 15 employees and develop, in consultation with small business, a Fair Dismissal Code.

2. HEALTH

While the Coalition toyed with the idea of taking control of public hospitals from the states, it was Rudd who announced a process by which it might happen. Labor's health policy "New Directions for Australian Health" involves the provision of \$2 billion to implement key reforms, the establishment of a National Health and Hospitals Reform Commission with the states to oversee the process and a commitment that if the states lag on reform (with a deadline of mid-2009), Labor will seek the support of the public through a



referendum to take over control of the hospital system. Labor has announced it is committed to the PBS and has previously shown a strong desire to improve bulk billing rates. They may also reconsider Australian Government funding for general dental care and have been willing to be interventionist in other areas of preventative health (such as junk food advertising).

3. BROADBAND

Labor's broadband policy has been a key plank in Labor's strategy to position it as the "party of the future" and is constantly referenced by Kevin Rudd as a key strategic difference between Labor and the Coalition. A Labor Government would create a new National Broadband Network with \$4.7 billion in Government investment. Aimed at connecting 98 percent of Australians to high-speed broadband Internet services, the policy is very technology-specific and nominates a "Fibre To The Node" (FTTN) network. The Coalition has sought to counter this announcement by providing \$1.1 billion for a regional/rural broadband wireless network (WiMAX) and a tender process to construct a metropolitan fibre network.

The key issues neither party has fully addressed are the regulatory and structural issues in the Australian telecoms market – with both parties putting the decision off until post-election. Regardless of Government funding, no network operator is likely to invest until there is regulatory certainty around access arrangements on the new network. The process of regulatory change could delay the construction of a network well into the next term of Government.

4. RENEWABLE ENERGY

Labor will provide more support for renewable energy and new technologies as evidenced by their National Clean Coal Initiative. They have pledged an increase to the current Mandatory Renewable Energy Target – specifics are likely to be announced during the election campaign – and they plan to make Australia a clean energy hub for the Asia-Pacific. Labor has also committed to a national emissions trading scheme commencing in 2010 and the setting of a long-term target to cut

greenhouse gas emissions by 60 percent by 2050. Renewables will also receive favoured support under the emissions trading scheme to ensure their viability.

5. WATER

A Federal Labor Government will create a single Federal Government Agency to administer Commonwealth water programs. The party supports a Senate Inquiry into the provisions of Prime Minister Howard's water bill to allow those affected an opportunity to review and comment on the bill, and to ensure this important legislation is correct.

6. BANKING AND FINANCE

A Rudd Government will focus on making Australia a funds management hub in the Asia Pacific region. This includes halving the current 30 per cent holding tax on distributions from Australian managed funds to non-resident investors and abolishing the need for overseas investors paying withholding tax to lodge a tax return and claim debt as a deduction. There may also be increased protection for investors as a result of recent property investment scheme collapses, and after the US sub-prime mortgage crisis and an ever burgeoning national credit debt, financial lending practices can expect greater scrutiny and further tightening.

7 FOOD

Labor has announced it will work with state and territory governments to improve the current system of food safety standards, calling for increased transparency in the development of standards.

They have also promised to crack down on food industry advertising to children, which the party anticipates will be popular amongst parents. Expect greater intervention on this front from a Rudd Labor Government, a considerable shift from the Howard Government's "personal responsibility" approach.

8. INFRASTRUCTURE

Rudd has concentrated on the micro by announcing a major cities program that would provide funding assistance for Sydney's urban infrastructure needs, especially road, rail and water. Labor sees infrastructure



as part of its productivity economic agenda and would establish "Infrastructure Australia" to identify capacity constraints and provide national leadership.

9. INNOVATION AND INDUSTRY

Labor has made a number of statements about being the party of the future, including its focus on innovation. In reality, the differences between the ALP and the Coalition on innovation are minor and mostly focused on the structure of innovation policy in Government. A Rudd Labor Government has committed to establishing ten "Enterprise Connect" innovation centres around Australia to connect business people with ideas people. These are broadly consistent with the Australian Industry Productivity Centres announced by the Coalition as part of its industry statement.

Labor has shown a desire to be more proactively supportive of local industry through Government procurement activities. There may be some problems in a post-Free Trade Agreement era, but Labor is likely to investigate ways in which Australian industry and particularly local small to medium enterprises (SMEs) could be better advantaged in Government procurement – such as SME participation quotas and industry development plans for multinationals.

Labor has also flagged a major change to the public service in this space, bringing responsibility for



innovation, industry, science and research under the one Department and abolishing the inward investment agency, Invest Australia. In a tokenistic gesture they would also restore the Chief Scientist to a full-time position from its current part-time status.

10. GOVERNMENT ACCOUNTABILITY

Labor's Finance Shadow, Lindsay Tanner, has committed Labor to efficient government and has identified about \$3 billion in savings to put towards new Labor election commitments. This is a regular opposition tactic and was successfully employed by John Howard in 1996.

Current Government initiatives on the chopping block include ICT projects such as the Vanguard authentication project in DITR and the Human Services Access Card. Tanner has also targeted areas of perceived Government excess and has committed to slashing MPs' printing allowances; cutting ministerial staff by 30 percent; scaling back the number of parliamentary liaison officers employed by government agencies; abolishing the Government Communications Unit; cutting back on media monitoring and reducing agency expenditure on consultancies. It will be interesting to see if this appetite for savings remains long into a Rudd Government. Recent experience suggests not, particularly if the budget continues to remain in a healthy state of surplus and the pressure for fiscal responsibility is negligible.

Economic policy

OPPOSITE: Chinese President Hu Jintao meets with Kevin Rudd ahead of the APEC summit.

BELOW: Kevin Rudd and Shadow Treasurer Wavne Swan.

Not wishing to mess with a successful formula, the indications so far are for continuity between the Howard and Rudd Governments on the macroeconomic front. Where Rudd has sought to differentiate himself is in supply-side and microeconomics.

Rudd created a new shadow portfolio

– Service Economy, Small Business
and Independent Contractors (held by

Craig Emerson) and modified an old one – Industry, Innovation, Science and Research (held by Kim Carr). These reflect Labor's new economic agenda, summed up as follows: population, productivity and participation. The practical measures intertwined with this agenda are an increase in funding for R&D and an "education revolution" along with a streamlining of business regulation.

A constant Labor dilemma, whether in Opposition or Government, is how to strike a balance between older Labor social democratic values and new, and often more popularly accepted, market-based policies. Swan and Rudd have tried to solve this by giving old Labor values a new twist – arguing economic prosperity and a Labor social agenda are essentially compatible. This is exemplified by the Labor alternative to the Howard Government's IR reforms, the 'Forward with Fairness' policy, which aims to controversially abolish AWAs and reinstitute Collective Bargaining.

A Rudd Labor Government would also bring with it tax and welfare reform. Central to its platform is creating incentives to reward work, such as earned income tax credits. It promises also to simplify the personal tax system, and have fewer and lower marginal tax rates.

Paradoxically, if such reforms are instituted it may be a Labor Government that reduces and streamlines the inefficient churning linked with the Howard Government's extensive middle class welfare.

WHO'S WHO

Wayne Swan has done an impressive job as Shadow Treasurer and is likely to hold on to this important position in Government. Tanner also has solid economic credentials with business and should keep his current Finance portfolio. Others tipped for junior economic positions include Chris Bowen, the current Shadow Assistant Treasurer, Craig Emerson and Bernie Ripoll.



Foreign policy

There are three areas in which Kevin Rudd has attempted to distinguish the ALP from the Coalition in foreign policy – Iraq, China, and the Asia-Pacific "arc of instability".

On Iraq, Rudd has made a pledge to consider withdrawing Australian troops once he is in office, although this pledge may have more bark than bite. Rudd and his Shadow Foreign Minister Robert McClelland have emphasised how highly they value Australia's relationship with the US, and that they would only consider withdrawing troops after discussions and negotiations with the Americans.

Similarly, Rudd has made a point of the importance of a strong relationship with China. Having personal links with China himself (Rudd completed a Chinese Studies degree at university and speaks Mandarin), it seems Rudd would court China's favour once in office, aiming for closer economic and political ties and dialogue over human rights and climate change.

It is safe to assume that the Australia-China FTA negotiations would continue under a Rudd Government.

Finally, Rudd and McClelland have pledged to pay more attention to what they call the Asia-Pacific's "arc of instability" – countries such as East Timor, PNG, the Solomon Islands, Tonga and Nauru whose political problems are judged to be a threat to the region's security. The ALP would establish a Pacific Partnership for Development and Security, aimed at addressing such regional issues.

WHO'S WHO

With Labor's premier foreign policy wonk in the top job, there are few with the seniority and history to tackle this difficult portfolio. Current Shadow Foreign Affairs spokesman Robert McClelland may keep the plum post. Alternatively, an older, more experienced hand such as Bob McMullan could be given the job until a newer Member of Parliament such as George Newhouse or Mark Dreyfus (if elected) could be groomed to take over.

It seems Rudd would court China's favour once in office, aiming for closer economic and political ties and dialogue over human rights and climate change.



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Health and social policy

While Labor will monitor the sustainability of the PBS, they have pledged any savings generated by recent reforms will be re-invested into the system to fund new medicines. Federal Labor has sought to make real preventative healthcare its prime health platform. Like the incumbent, Labor recognises the huge burden of cost of conditions such as Type 2 diabetes, obesity and heart disease which are in excess of \$36.9 billon annually. Earmarked as the first task by a new Labor Government is the formulation of a National Preventative Healthcare Strategy that would see primary healthcare at the forefront of the health agenda.

As part of this preventative health agenda Labor has committed to the PBS as an investment that saves money further down the health care system. While Labor will monitor the sustainability of the PBS, they have pledged any savings generated by recent reforms will be re-invested into the system to fund new medicines.

"New Directions for Australian Health" policy focused on reforming Commonwealth/State arrangements on health and hospital funding - based on Productivity Commission findings that show up to \$2.8 billion could be saved in health sector costs by reducing the duplication between the state and territory, and Commonwealth Government arrangements.

The policy sets a deadline of 2009 for states and territories to commit to a comprehensive reform agenda or a Federal Labor Government would seek to take over control of public hospitals.

The major announcement in the policy was a \$2 billion Health and Hospital Reform Plan that aims to take pressure off the public hospital system through investment in four key areas:

1. Reducing preventable hospitalisations

- and non-urgent accident and emergency presentations at public hospitals - through increased funding for preventative measures such as improved GP care, dental care and the establishment of primary health centres;
- Reducing hospital waiting times

 funding for projects such as the upgrades of elective surgery facilities to improve throughput;
- 3. Reducing and shortening hospital stays for frequent visitors (particularly older Australians) improving transition care facilities and projects to reduce re-admission rates (including an additional 2,000 transitional care beds and \$300 million in zero interest loans to expand residential and respite care facilities); and
- 4. Increased access to community medical and specialist services. With regard to Medicare, Labor has pledged to simplify what it sees as an over complicated system for GPs. Specifically, Labor wants to pressure the system to do away with the "6 minute consultation" promoted by the Medicare Benefits Schedule. To this end Labor has signalled a restructure to the Schedule (from a four tiered structure to a seven tiered structure) to encourage longer consultations and provide incentives for GPs to practice what it calls 'high quality preventative care and chronic disease management'.

The role of the private sector in healthcare is unlikely to diminish under a Rudd Government. Recognition of the growing importance of private health facilities, particularly in aged care, has been recognised as key to delivering services and complementing a public health system.



WHO'S WHO

Roxon is doing well as the current Shadow Health Minister and she may stay. However other members of the Labor team are also experienced in health policy such as Jenny Macklin, and current deputy Julia Gillard. Jan McLucas has done well in the Ageing and Carers portfolio and Kate Lundy currently has health promotion within her responsibilities. Chair of the important Social Policy Caucus Committee is Jill Hall, and Annette Ellis is Deputy.

Environment and water



A core policy battle-ground in the upcoming Federal election, the environment is proving to be one area where the ALP has quite a distinctive policy approach to the Coalition.

The first thing a Federal Labor Government would do is ratify the Kyoto Protocol and move swiftly to a post-Kyoto Protocol framework. Like the Coalition, Labor is also committed to a national emissions trading scheme, although again, with a couple of key differences: a 2010 commencement date for the scheme (one year earlier than the Coalition), and the setting of a long-term target to cut greenhouse gas emissions by 60 percent by 2050.

Labor also differentiates itself in its consistent support for renewable energy. Federal Labor is committed to significantly increasing the current Mandatory Renewable Energy Target, and renewables will receive favoured support under the emissions trading scheme to ensure their viability. Of equal concern to Labor is the impact a price on carbon will have on low-income families. Their proposed scheme will seek to ameliorate these additional costs. For those committed to a truly market-based scheme, the concern is this tinkering at the edges will reduce the effectiveness of the carbon trade and thus place a higher, disproportionate burden on industry. However Labor believes these assistance measures are key to the smooth transition to full market operation.

Despite these policy differences, the quasi-bipartisan support for the introduction of a national emission trading scheme means the work currently being led by Prime Minister & Cabinet's Climate Change Group, in conjunction with the Departments of Treasury, Environment and Water Resources and Industry Tourism and Resources, will contribute to the final scheme framework regardless of a change in government. We would however expect some interdepartmental repositioning to take place to accommodate Labor's approach, particularly as it's informed by the outcomes of Labor-commissioned Garnaut report, due in mid 2008.

On the green consumer side, the ALP will make substantial funds available for household initiatives that assist in furthering its environmental and water policies. It would prioritise the

installation of rainwater tanks, domestic solar panels, solar water heating and energy saving measures – all measures focused on the built environment. Expect some nationally led but state based initiatives to increase public transport, address vehicle emissions, and improve water resource management. However as evidenced by the lack of agreement between the states with regards to the management of the Murray-Darling river system, we can confidently assume the usual state and territory interests will overwhelm the symbolic united front.

WHO'S WHO

There are currently four central ALP players impacting the **Environment portfolio: the current Shadow Minister for Climate** Change, Environment & Heritage, and Arts - Peter Garrett, the Shadow Minister for Infrastructure and Water - Anthony Albanese, the Shadow Minister for National **Development, Resources & Energy** Senator Chris Evans, and the **Shadow Minister for Transport,** Roads and Tourism (and uranium promoter) - Martin Ferguson. Given their collective Ministerial inexperience, and assuming a win in the Federal seat of Macquarie, don't be surprised if former NSW **Environment Minister Bob Debus** is parachuted in to the Federal Ministry to bring stability and experience to this vital portfolio.

OPPOSITE: Professor Ian Frazer, inventor of the worlds first cervical cancer vaccine.

ABOVE: Kevin Rudd with Anthony Albanese, Labor's water spokesman and Craig Thompson, Labor's candidate for the NSW coastal seat of Dobell.

Industry and resources

In the current policy debate, Labor has put strong emphasis on getting internal policies in place that will ultimately shape the future of Australia's industry and resources sector, including abolishing the "no new mines" rule from the National Policy Platform. This would allow Labor governments to approve new uranium mines. However, the states are still free to have their own policies on mining. Two of the big mining states, Western Australia and Queensland have made it clear they do not intend to lift their bans on uranium mining any time soon.

Labor also remains cautious about the export of uranium with Rudd promising to overturn any agreement to sell uranium to India while they remain outside the Nuclear Non-Proliferation Treaty. Environmental and weapons concerns will continue to be issues Labor's constituency are very concerned about so Labor will have to balance these.

A key point of difference lies in Labor's opposition to uranium being used to generate nuclear power in Australia. Although there has been a shift in the party's official position on uranium mining, expect the current Government's move towards a role for a domestic nuclear industry in the 21st century to be stalled – particularly if the Greens secure the balance of power in the Senate.

Clean coal is Labor's answer to balancing the interests of a coal mining industry where the workforce is largely unionised with the interests of the environment and the need to lower carbon emissions. Such a policy will secure jobs and longevity for the Australian coal industry and the Construction Forestry Mining and Energy Union (CFMEU) has even

sponsored ads criticising the current Government for failing to make clean coal technology refinement and adoption a priority.

Labor is adamant Australia must make the most of current record commodity prices and focus on building the infrastructure and skills that will ensure continued prosperity for the country through our resources. To this end Labor has released plans for a Commonwealth Statutory Authority called "Infrastructure Australia" to be established to provide national leadership, assessing and advising on critical export infrastructure.



This will be an essential portfolio for Labor, one that must balance the interests of Labor's traditional constituency of workers with other imperatives, including the environment. Leader in the Senate. Chris Evans from Western Australia. holds the National Development, Resources and Energy portfolio. Tasmanian Senator Kerry O'Brien has Forestry among his portfolio responsibilities. Martin Ferguson also has a great deal of experience in this area having previously held the Energy and Resources portfolio. Obviously unions with large memberships in the mining industry are also players including the **CFMEU** and the Australian Workers Union (AWU). Backbenchers with large mining constituencies are also influential such as Kirsten Livermore and the Members for Flynn, Hinkler and Dawson if Labor picks up those seats.



Agriculture and FMCG (fast moving consumer goods)

Labor has made a commitment to setting up an Agriculture and Climate Change Implementation Panel, which will give the agricultural sector a seat at the climate change policy table.

Given Labor's strong focus on climate change and the environment, agricultural policy under a Federal Labor Government will concentrate on the effect of climate change on this industry and ways the industry can best adapt. There will be a strong focus on sustainable agriculture in Australia.

Specifically, Labor has made a commitment to setting up an Agriculture and Climate Change Implementation Panel, which will give the agricultural sector a seat at the climate change policy table.

Water policy is another key issue facing both the agriculture and food processing industries. If elected, Labor will create a single government agency to oversee all Commonwealth water programs, replacing the five agencies currently with responsibility for this issue.

A Rudd Labor Government is likely to shift Australia's trade focus from bilateral free trade agreements to multilateral free trade, especially in agriculture. They will be pushing for the re-invigoration of the Cairns Group as a leader in WTO negotiations affecting the agricultural sector.

The National Grocery Pricing Inquiry (NGPI) is another priority area for Labor, impacting both the food and agriculture sector of the economy. The NGPI will report to the incoming Government within six months and will present an opportunity for both sectors to be involved with a new Government early in its first term. This policy has been designed to garner support from the broader Australian population facing increasing costs of living and forms a part of a the broader Labor agenda to reduce what it sees as misuse of market

power in some Australian industries.

Also of potential concern for the food industry is Labor's proposed crack down on food industry advertising to children, which the party anticipates will be popular amongst parents. Moving away from the Howard Government's "personal responsibility" approach, expect more intervention on this issue.

On food labelling, Labor supports country of origin labelling as well as labelling of all food products containing genetically modified material. Depending on the role of the Greens in the Senate, the GM debate may receive extra attention in the new Parliament. Labor have also made a commitment to improving nutritional panels on food packaging as well as the development of a national label of accreditation to signify Australian quality and environmental sustainability.

WHO'S WHO

In his current position as Shadow **Minister for Primary Industries,** Fisheries and Forestry, Senator Kerry O'Brien will be a key influencer in this sector. In recent years Senator O'Brien has been an active member of the Senate Rural and Regional Affairs and Transport Committee, investigating biosecurity issues as well as the Murray Darling Basin Amendment Bill in 2007. As a former **Primary Industries Minister in the Keating Government, Simon Crean** will also play a key role in caucus discussions. The holders of Labor's key environmental portfolios will also be important – already identified in the Environment and water section. Nicola Roxon's role in the obesity and food marketing to children debate also sees her as a key player for the FMCG sector.



ICT and defence

abor has targeted the ICT portfolio Las a key point of difference from the Coalition with its bold and successful broadband announcement Senator Stephen Conroy released Labor's \$4.7 billion broadband policy aimed at connecting 98 percent of Australians quite early as it was showcased in Rudd's Budget in Reply speech back in May.

This forced the Government to rush out a counter proposal – neutralising debate in this area somewhat - but Labor still got the benefit of being out first. Labor's broadband policy has been a key centrepiece of its wider aim to boost Australia's productivity.

A future Labor Minister will come under increased pressure from interest groups and some parliamentary members like Senator Lundy to force greater small to medium enterprise (SME) involvement in ICT and defence procurement.

However, a Labor Minister such as Senator Conroy will need to balance this with the requirements of value for money in Government procurement that dictates that the best fit for purpose technology, organisation or consortium solution, whether it be a mulit-national or SME, should win government work. Despite some possible minor, mainly cosmetic, concessions to local SMEs, commercial reality should win the debate at the end of the day.

Labor has flagged in the past a desire to move the information technology industry development functions of the Department of Communications. IT and the Arts (DCITA) into the Industry portfolio. This 26 could be done with very little change

to the current portfolio arrangements, as ICT-specific industry development measures have been wound back significantly and the majority of R&D funding for the ICT industry already comes out of DITR and DEST. Some in the Coalition ranks have forecast that this will occur regardless of who wins government.

On the communications front. relationships between Telstra, its management and the Howard Government is strained to say the least. A new Labor Government could signal a fresh approach to dealing with Telstra and all options would be back on the table regarding broadband rollout and Telstra's fibre to the node.

Telstra may also feel that it could leverage the CEPU and CPSU more successfully to protect its market dominance - as was the case in the early 90s, when competition was timidly introduced under Labor and the unions successfully lobbied against providing Optus with a stronger position when it entered the market.

On the Access Card, expect Labor to scrap the current proposal – only to re-define and re-brand the card. possibly limited to a Medicare Smartcard. However, this would not be a first order priority for a new Labor Government.

A priority would be the production of a new Defence White Paper based on a full re-assessment of Australia's strategic situation, changing the focus from the Middle East and tactical deployments in the Asia-Pacific region to a closer, more strategic engagement in the Asia-Pacific

region. The overall approach to defence procurement would largely remain the same.

Labor recently announced that the next generation of Australian Defence Force submarines would be built in Adelaide. This guarantees South Australia a major ongoing Defence contract when the \$8 billion Air Warfare Destroyer project nears its end in 2017. The Liberals have largely the same policy mindset. The submarines will be built by ASC at its Port Adelaide site and the aim will be to have the work commence before the last Air Warfare Destroyer is completed.

WHO'S WHO

Senator Stephen Conroy, the **Shadow Minister for Communications** and Information Technology, has developed a strong corporate knowledge and credibility in this portfolio that makes him likely to retain it in a Rudd Government. Tanner also has history and credibility in this area. Senator Kim Carr, the Shadow Minister for Industry, Innovation, Science and Research, will also be influential (regardless of his eventual portfolio). **Senator Kate Lundy also retains** an ongoing interest in this portfolio area and is a strong advocate of Australian companies benefiting more from government procurement.

Labor has fewer frontbench contenders with real experience in the Defence portfolio, as it has tended to move this position around. It is questionable whether Joel Fitzgibbon, the current Shadow Minister will remain in





this role after an election. If he doesn't take on Foreign Affairs, Robert McClelland is a contender to move back into the Defence Portfolio, or Alan Griffin, current Shadow Minister Veterans Affairs, Defence Science & Personnel, could receive a promotion. Current Shadow Minister for Homeland Security. Arch Bevis has previous Ministerial experience and could also move up.

Both Col Mike Kelly AM and Major Peter Tinley AM will be important caucus influencers in this area although unlikely frontbench contenders in the first term.

Transport and aviation



abor is committed to maintaining Lthe \$22.3 billion AusLink program including the progressive upgrading of the Hume Highway, Pacific and Bruce Highways and the completion of the North-South Rail Corridor. Labor's priorities on individual projects will naturally shift away from the Nationals' rural and regional focus to delivering infrastructure outcomes to their core constituencies in outer suburban seats. Labor's support for the recent House of Representatives Environment Committee's Sustainable Cities report would suggest Federal subsidy of public transport provision, particularly light and heavy rail in major cities, would be one such example.

Public Private Partnerships will feature heavily in the policy response to the infrastructure challenges in a Rudd Labor Government, using the Westlink M7 model to partnering with the states and the private sector to deliver infrastructure ahead of the revenue/expenditure curve. Labor sees transport and infrastructure as a growth and productivity driver.

Labor has previously suggested the Future Fund should be used to invest in commercially attractive infrastructure investments. To achieve this outcome, a Rudd Labor Government would need to amend the Future Fund's investment mandate.

Labor's stated goal of productivity gains is balanced by their focus on job protection. Labor's industrial relations package has the potential to negatively impact on the way the sector and its value chain stakeholders operate.

Labor has indicated climate change and emissions trading would be a central plank of a Rudd Labor Government. Shadow Minister for Transport Martin Ferguson has rejected calls for a carbon tax on airline seats noting that it would disadvantage remote destinations and the Australian tourism industry generally.

A Rudd Government's top three priorities in transport and aviation are:

- Productivity gains in key export supply chains such as the wheat lines, coal and iron ore rail links and ports;
- Integration of the land transport system with air, sea and inland ports, to improve productivity in general freight movement; and
- The easing of urban congestion in Australia's major cities.

WHO'S WHO

Martin Ferguson currently holds the shadow portfolio of Transport, Roads and Tourism. With his extensive shadow experience in this area we can expect him to hold this or a related portfolio. Martin has served previously in the portfolios of Regional and **Urban Development: Transport and** Infrastructure; Resources, including energy, Primary Industries, Forestry and Tourism. Other important players for this portfolio will include Simon Crean if he continues to hold the Regional Development and Trade portfolios, Anthony Albanese if he retains infrastructure responsibilities, Senator Chris Evans, current Shadow Minister for **National Development, Resources** and Energy and Arch Bevis if he retains the Homeland Security. Justice and Customs portfolios. Whoever manages to win the Environment portfolio will also be influential. See that section for the likely contenders.

For the ALP many unions are also influential in this area including the Transport Workers Union (TWU), the Construction, Forestry, Mining and Energy Union (CFMEU), the Australian Workers Union (AWU) and those unions active in the airline industry such as the Australian Manufacturing Workers Union (AMWU) and Australian Services Union (ASU).

OPPOSITE: Senator Helen Polley, Ms Maria Vamvakinou MP, Senator Anne McEwen, Senator Dana Wortley and Ms Kate Ellis MP check out Google's new election tool.

Finance and banking

Tax incentives for home deposit savers through the provision of a savings vehicle with higher returns and low tax and overheads is one of the key policy suggestions. Rising house and land prices, coupled with a diminishing culture of savings in Australia, have seen housing affordability become a key Labor issue.

Labor's Housing Affordability Report and Summit in July this year raised some of the key areas a Rudd Government will focus on when it comes to finance and banking.

Tax incentives for home deposit savers through the provision of a savings vehicle with higher returns and low tax and overheads is one of the key policy suggestions. The summit report also suggested shared equity schemes, public-private partnerships, low income housing tax credits, tax concessions for investors offering homes below market rent and the Government doubling depreciation allowance for investors in new affordable housing projects.

In addition to addressing housing affordability, a Rudd Government will focus on making Australia a funds management hub in the Asia Pacific. Some of the policies already announced include halving the current 30 percent holding tax on distributions from Australian managed funds to non-resident investors and abolishing the need for overseas investors paying withholding tax to lodge a tax return and claim debt as a deduction.

In the banking sector Labor will largely adopt the approach of the Government with no changes to the four pillars policy or regulation of fees. The Payments System Board has considered an industry-developed proposal for reform of the ATM system in Australia. It is likely that Labor will also adopt the acceptance and implementation of ATM reform by the Payments Board.

Shadow Minister for Superannuation and Intergenerational Finance, Banking and Financial Services, Senator Nick Sherry has also consistently called for a comprehensive inquiry into the factors leading to the property investment scheme collapses such as Westpoint, Fincorp, and Australian Capital Reserve, including the role of ASIC.

Labor has called for the raising of the promissory note threshold from \$50,000 to \$500,000 and improved regulation to increase investor protections.

Another key policy focus for Labor in Government will be reducing red tape in the financial services sector. But, we should bear in mind every Government has promised this since Federation!

Their proposal will include harmonisation between the states through an incentive approach similar to the Hawke/Keating Government's National Competition Policy, and reducing the paperwork burden for the industry.

WHO'S WHO

Tasmanian Senator Nick Sherry has held the Superannuation and Intergenerational Finance, Banking and Financial Services portfolio as Shadow Spokesperson for many years (including through four leadership changes). If this portfolio is retained in Government we can be confident Sherry will keep it. The Parliamentary Secretary to the Treasurer also deals with much of the regulation relevant to the sector and individuals mentioned in the economic policy section such as Chris Bowen and Bernie Ripoll could be contenders for the spot. Consumer Affairs is also an important portfolio for this sector and expect to see Wayne Swan in the Treasury portfolio.



Overview of Parker&Partners

Parker & Partners is a leading bi-partisan Australian public affairs consultancy - with offices in Canberra, Sydney and Melbourne - that features a team of experienced advisers in government, regulatory and lobbying; media management and public affairs events; issues and crisis management; research; and government communications and social marketing.

Insights, ideas, influence. Three words that perfectly summarise P&P. Deep client, policy, media and political insights; creative ideas to solve problems, issues and opportunities; and influence in real-world commercial outcomes or changing public attitudes and behaviour.

To P&P, public affairs is the practice of managing issues or a crisis, opportunities and relationships relevant to the government, media, industry sectors and community groups. Public affairs is a specialised

field in the public relations industry, and as such specialist practitioners need insights, ideas and influence to make an impact for a client.

Every issue is typically influenced by politics. This is the essence of public affairs. "Politics" does not just mean the work of our houses of parliament or debates at a political party conference. Politics, in our world, refers to the Nation's body politic. The impact of media, communities and local, State and Federal Governments on issues, relationships, reputations, problems and commercial opportunities.

We offer a unique understanding and access to different networks, including ministerial offices, parliamentarians, advisers, bureaucracy, state and Federal press galleries, specialist media, industry and community groups and other key agenda influencers.

The world of P&P involves helping to win tenders and outsourcings; advising and steering clients through serious issues or crisis situations; managing legislative campaigns and issues; positioning for companies or projects at a bureaucratic and executive government level; using strategic media, be they specialised, political or news reporters; and prioritising a major launch in line with strategic objectives.

Our clients - past and present - include the likes of Bristol Myers Squibb, CSL, DFAT, Emirates Airline, PWC, JPMorgan, Google, the Virgin Group, BankWest, the Red Cross, Multiplex, Unisys, Vodafone, Kraft, Nestle, Unilever, Telstra, the National Heart Foundation, Macquarie Bank, Transurban, Tenix and Wyeth. They engage us because we offer the strongest insights, ideas and influence in public affairs.







Overview of Ogilvy PR Worldwide

P&P is a part of Ogilvy PR Worldwide, the leading specialist public relations and public affairs communication firm in Australia.

In Australia, Ogilvy Public Relations Worldwide is a partnership between Ogilvy Public Relations Worldwide - the world's fastest growing public relations firm - and the STW Group, Australia's largest communications group.

Ogilvy Public Relations Worldwide comprises client-driven and entrepreneurial companies, headed by the leading experts, in key practice areas.

The depth of specialist capabilities within our firm is unmatched in the Australian public relations industry. Each firm is narrow in its focus and deep in its specialisation. This unique structure ensures clients have access to true specialist knowledge and proven capabilities in the areas of PR most relevant to their priorities and business needs.

Each specialist capability in our firm can be engaged individually, or in combinations, depending on a client's specific needs. Where a mix of capabilities is required, clients often ask one specialist to take the lead role and co-ordinate the input of others. Our capabilities in Australia include:

- Consumer and brand Communication (Pulse Communications)
- Corporate and financial communication (Savage & Partners)
- Employee communication (Impact Employee Communications)
- Government relations and public affairs (Parker & Partners)
- Healthcare communication (Ogilvy PR Health)
- Multicultural communication (Etcom)
- Technology communication (Howorth Communications)
- Communications skills training, event management and on-line public relations support these capabilities.

Each specialist capability in our firm can be engaged individually, or in combinations, depending on a client's specific needs.















The P&P team

P&P's portfolio and specialisation leaders and team members who edited, researched and contributed to this guide are:



Andrew Parker Managing Director Specialisation leader – Government, regulatory and lobbying (Federal)

Andrew has led P&P and many of its major campaigns for a decade, including successes for the GARDASIL vaccine, uranium mining and landing rights for Emirates. He previously worked as a journalist, press secretary and political adviser. He has extensive relationships across the political and media spectrum.



Greg Sam Head of Canberra Office Portfolio leader -Health and social policy

Greg is a specialist in government and public health having worked at the Senior Executive level in Federal and state health systems over many years. He has also worked for the World Health Organisation, World Bank and the Asian Development Bank.



Sarah Cruickshank Head of Sydney office Portfolio leader – Environment and water

Sarah has a dozen years' experience leading public relations and advocacy programs on behalf of industry, government and the community. Formerly a government adviser and senior manager of a leading industry association, Sarah specialises in the inextricably linked issues of industry, energy and environment driving campaigns for WMC, Boral, BlueScope Steel, the Green Building Council and DFAT.



Rod Cameron Special Counsel

Rod was the ALP's pollster for close to two decades. Following critical involvement in four election victories for Prime Ministers Hawke and Keating, Rod established Australian National Opinion Polls (ANOP).



Michelle Hindson Special Counsel

Michelle Hindson is an experienced senior corporate affairs executive with a successful track record in stakeholder engagement, reputation enhancement, issues management and transactions across a wide range of industry sectors. Based in Melbourne, Michelle has worked for clients such as GSK, Kraft, BlueScope Steel, IVF Australia and Epworth Hospital.



Peter Shmigel Director

Peter specialises in sustainability strategy development, policy analysis and stakeholder engagement. Past roles include Chief of Staff to Environment Minister and CEO of environmental management association. Clients include Visy, IAG, Nestle, Fosters, Lion Nathan, Orica, ING, Commonwealth and State agencies, and environmental NGOs.



Simon Bush Senior Account Manager Portfolio leader -ICT and defence

Simon has worked in public affairs for over a decade and has a background in IT and IP. An expert in digital media, Simon leads P&P's work in this space with clients such as Google. A previous head of Accenture's public affairs division, Simon is also the CEO of the Australian Visual Software Distributors Association and has worked as a senior policy and media adviser to a Cabinet Minister.



Michelle Parker Senior Account Manager

Michelle leads the public affairs event management practice at P&P, responsible for many award winning public affairs and media campaigns. These include the government funding and launch of Aldara, the world's first skin cancer cream; the national launch and inaugural flight of Emirates' A340-500 aircraft; and the national launch of Carers Week by the Prime Minister.



Trent Mumford
Senior Account Manager
Portfolio leader Transport and aviation

Trent heads P&P's Transport and Aviation portfolio. Specialising in government relations and issues management his campaigns have delivered major policy victories including creating a level playing field for Australia's express carriers, increased landing rights for Emirates and successfully shaping public perceptions of Sydney's Lane Cove Tunnel. He previously worked as political and media adviser



Alicia Burgmann Account Manager Portfolio leader -Agriculture and FMCG

Alicia works with leading companies and industry associations on their interaction with regulatory authorities and related political processes and issues management. In her five years at P&P, Alicia has led many high profile national and international campaigns for key clients including Kraft, Goodman Fielder, the Ricegrowers Association of Australia, National Food Industry Strategy and the Heart Foundation.



Rhylla Morgan Account Manager Specialisation leader -Media management

Rhylla is a media relations specialist with ten years experience working for the British and US governments in public diplomacy, media affairs and event management. She has a strong background in crisis management as well as community outreach programs, working with clients such as Lane Cove Tunnel, GrainCorp and Cochlear.



Chris Minns Account Manager Specialisation leader – Government, regulatory and lobbying (state)

Chris is a specialist in state government affairs. Prior to joining P&P Chris spent three years as a policy adviser within the NSW Government, including the Premier's Office, focusing on roads and security portfolios. He advises clients how to navigate state governments, their departments and related stakeholders, and works with Lane Cove Tunnel, Wolgan Valley Resort and Spa and HBOS.



Sharon Tuffin Account Manager Specialisation leader – Research, Government Communications and social marketing

With over 12 years experience in the public sector, Sharon provides specialist advice on machinery of government, program and policy development and implementation, research and government communications. Her clients include DEST, the GRDC, the Green Building Council of Australia and Nestle.



David Masters Account Manager

David's diverse career in communications, politics and public policy has focused on the ICT sector. Starting his career as a journalist reporting on ICT issues, he has been an adviser on internet and broadband policy and the ICT industry for three Federal Ministers in that portfolio and has worked in the Department of Finance and Administration on the development of whole-of-government ICT policy.



Jodie Jansen Senior Consultant and Editor of Lobbying Kevin 07

Jodie is a media and government relations specialist, both preparing others for media performances and being a spokesperson herself. She worked previously as a media adviser to the Hon Kim Beazley during his time as Leader of the Opposition and served as National President of the National Union of Students. Her 2004 Federal election campaign was in the SMH's top ten campaigns.



Carla Liuzzo
Senior Consultant
Portfolio leader –
Industry and resources

Carla is an experienced media and government relations professional with strong skills across the health and industry portfolios. Key to many of P&P's successful integrated campaigns, she is particularly adept at stakeholder engagement, issues preparedness and media and event management. Recent client experience includes CSL, Amgen, Cochlear, BlueScope Steel and Google.



Jessika Loefstedt Senior Consultant

Jessika specialises in the area of water and sustainability. She has strong research skills, a thorough understanding of public policy and extensive experience in strategic campaign development and implementation, media management and public affairs events. Her clients include the National Heart Foundation of Australia, CSL and Department of Foreign Affairs and Trade.



Elizabeth Howard Consultant

Joining P&P from a key national health and social welfare research agency, Elizabeth is a key member of P&P's Research specialisation. She is particularly experienced in the food, agriculture and health sectors and has worked with clients such as Kraft, Goodman Fielder, Merck and the Disability and Aged Information Services (DAISI) on a range of research, government relations and media programs.



Kaitlyn Swinbourn Consultant

Kaitlyn is experienced in media and event management, with recent client successes including Google, Amgen, AstraZeneca and Emirates. A product of the Defence community, Kaitlyn is a specialist in P&P's Defence and ICT portfolio, and undertakes many of the key tactical elements of client programs.



Kate Cottle Consultant

A recent graduate of CSU, Kate has a strong background in event management with Not-for-Profit community organisations such as Oxfam, and rural NSW based Community Builders, and is experienced in engaging local communities and media on environmental and sustainability campaigns.



