

# MARK MCGOWAN'S — AND MALCOLM TURNBULL'S — OPPORTUNITY TO SEIZE THE DAY

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WA Labor should immediately tackle the upper house gerrymander – and the federal Coalition needs to use the budget to get back on track

Right:

Time is short: premier-elect Mark McGowan at a press conference in Rockingham, south of Perth, on the day after his election win. Richard Wainwright/AAP Image



Mark McGowan's victory is a warning shot across the bows for Malcolm Turnbull: in this 24/7 age of supercritical public opinion, governments in Australia normally lose elections. Without a dramatic change to his government's policies and style, Turnbull can expect the same fate.

And it's not just a warning for Turnbull. It's hard to think of any state government today that can expect to be re-elected. Gladys Berejiklian is too new to be suffering the blowtorch of failed expectations, but in every other state the latest polls show governments either trailing, or with a precariously narrow lead. We do not live in a forgiving age.

The WA result confirms, yet again, that the vast bulk of Australians are not on the far right of the political spectrum, but somewhere around the middle. If the Liberal Party won't look after them and their priorities, the Labor Party will. If the federal Coalition wants to have a third term in government, it must learn that lesson, and apply it.

The 2017 budget gives it another chance to reboot, this time committed to solving problems and not merely to finding ways to exploit them politically. We'll come back to that.

In turn, Turnbull's recent experience sends a warning shot across the bows of former naval officer Mark McGowan. When the goodwill of a honeymoon gives you political capital, you either use it or lose it. This is a time to do the hard things. You will never again have so much momentum with which

to dispel opposition. There will never again be a better time to take on a battle, whether your opponents are on your own side of politics, on the other side, or both.

And one problem that could loom large over his new government is that it will be seriously outnumbered in the upper house, the Legislative Council. While Labor will control the Legislative Assembly with two-thirds of the seats, as the count stands now, it looks likely to win only fourteen of the thirty-six seats in the Council. The Coalition parties between them would also win fourteen – even though they polled roughly 32 per cent of the Council vote while Labor won 42 per cent.

Why the discrepancy? Because the Legislative Council of Western Australia is the last parliamentary chamber in Australia that is still gerrymandered – or, to be more precise, elected under a system in which rural votes are worth far more than city votes – to create a conservative chamber.

If McGowan has any ambition to break that system, as other Labor premiers have done in other states, he should act now, while he has the wind in his sails. We'll come back to that too.

Premier McGowan will have his hands full getting on top of the vast enterprise that is a state government. He has pledged to abandon the controversial Roe 8 freeway extension now being built through Perth's southern suburbs; if the Andrews government's similar pledge to extricate itself from the East West Link is any guide, that's likely to be messy, and expensive. He has made a couple of hundred campaign promises, quite a few of them directed at Bunbury, the seat where Labor won a 23 per cent swing on Saturday. He's got to make sure he keeps them.

Having ruled out the easy way of fixing the budget deficit, by pledging to keep Western Power in public ownership, he and his treasurer, Ben Wyatt, now have to fix it the hard way – the hardest way of all for a Labor government, through spending cuts. At the same time, they are promising a host of new spending to “create vital new jobs,” “put patients first,” create “world class public transport,” etc., etc.

How will they do it? Every opposition promises to cut government spending on advertising and consultants; same here. This mob has also promised to cut the number of SES executive-level jobs in the public service. Okay, all of that saves \$140 million a year. The deficit at last count was \$3.4 billion. So only \$3.3 billion to go... almost there!

McGowan has also copied the usual Liberal trick by promising an inquiry into the Barnett government's spending. One assumes that this is intended to make a public case for ending some of that spending. The Grants Commission's decision on the carve-up of 2017–18 GST revenue between the states is due any day now. Presumably that will start the process of giving Western Australia more revenue in recognition of its weakened economy – but the budget estimates will already have factored that in.

(May I add a postscript to a piece I wrote a couple of years ago on Western Australia's complaints about its low share of the GST. My view is that the Barnett government was the author of its own problems with the state's declining GST share, and was fiscally reckless in embarking on so much spending when its revenue boom couldn't last. But thinking about it since, I would add one thing.

There is a real problem when the Grants Commission decides a state's fair share based on its estimated needs three years ago. For example, the commission will estimate WA's share in 2017–18 (when it is coming out of recession) on an average of its estimated needs for 2013–14 (when it was booming), 2014–15 (when it turned around) and 2015–16 (when it went into recession). Its figures are so outdated that it keeps taking money from states when they most need it, and then showering it on them when they don't.

Commission chair Greg Smith, the author of dividend imputation in his days at Treasury, is a man of creative mind. He and his colleagues need to come up with the best way to address this problem, and make the commission's estimates more contemporaneous without significantly hurting their accuracy.)

**M**uch has been said and written about what Labor's victory means. I just want to add a couple of things.

First, it provided more proof of the accuracy of Australia's opinion polls, and of Galaxy/Newspoll in particular. People who ridicule our polls by pointing to the failures of polls in the United States and Britain are mistaken. Our system of compulsory voting makes it far more likely that our polls will be right, and with few exceptions they consistently are. Thank you, pollsters.

Second, it is worth remembering that the polls had been showing for months that Labor was heading for a landslide victory. Commentators have identified so many campaign mistakes by the Coalition – Barnett's refusal to hand over the leadership, the sudden decision to privatise Western Power, the preference deal with One Nation – that perhaps we should be surprised they didn't lose by more.

The Coalition will probably end up with about twenty seats out of fifty-nine. (At present, the score is Labor thirty-six, Coalition sixteen, with seven seats still too close to call.) It's a big loss, but not one of Queensland dimensions. The swing was huge, but the actual vote was, at best, only slightly above Labor's previous highs.

Most of the seats the Liberals lost were seats that Labor usually wins when it takes government. This result was different, though, because it was Labor's first win since its last government abolished the gerrymander in the Assembly and redrew the boundaries, which had favoured the Coalition, to reflect the principle of "one vote, one value" (apart from allowing smaller enrolments in the outback).

So its majority this time was much bigger than those enjoyed by the Labor governments of Brian Burke (Labor premier in the 1980s) or Geoff Gallop (premier in the 2000s). But its vote was not much bigger. In 1986 Burke's team won 54.1 per cent of the two-party-preferred vote; in 2001, Gallop was elected with 52.9 per cent. We won't know the two-party-preferred vote this time for weeks, but the polls agreed that it was 54–46 in Labor's favour.

If you look back over the last fifty years of state elections in Western Australia, the result that sticks out was not Saturday's poll, but the 2013 election. The Coalition then won 57.3 per cent of the two-party vote, easily the most one-sided result the state has seen since the war. Western Australia usually votes for the Coalition in federal elections, but not at state level. Of the past fourteen state elections, the Coalition and Labor have won seven each. The reason the swing this time was so gigantic was primarily because the 2013 result was an outlier.

But Labor's reform of the gerrymander a decade ago was for the Assembly only. Labor and the Greens could never agree on what to do about the gerrymander in the upper house. So it remains, one of the most atrocious in Australia.

If you live in Kalgoorlie, the mining towns or the outback, your vote for the upper house is worth six times as much as a vote in Perth. If you live in the state's vast farming area, your votes is worth four times as much as a Perth vote. And if you live in the southwest, it's worth twice as much.

Of the thirty-six Council members, half are elected by the 75 per cent of Western Australians who live in Perth, and half by the 25 per cent who live in the rest of the state. Western Australians vote in six Senate-style electorates – three in Perth and three in the rest of the state – choosing six members each for a single term. But the outback electorate has only 68,480 voters, and the farming one 102,748, while the three in Perth average roughly 400,000 each.

It is not only the most durable rural gerrymander Australia has known, but one of the most extreme. In other states, the gerrymanders have gradually been removed – apart from a bipartisan agreement to allow lower enrolments in a handful of vast outback seats in Queensland – because the Coalition parties there accept that it is morally wrong to rig the electoral system in favour of one group of voters and against another. It is one of the things that makes Australia different from the United States.

And the gerrymander is the reason why Labor's landslide win on Saturday will still leave it without the numbers in the upper house. While the final results will not be clear for several weeks, Antony Green's wonderful [election calculator](#) suggests that, as of Sunday night, the parties of the left were heading for just seventeen of the thirty-six seats, despite their smashing victory, while the parties of the right won nineteen seats, despite their smashing defeat. This is not the way democracy should work.

As of Monday, the opposition benches in WA's new Legislative Council looked like including Liberals (ten), Nationals (four), One Nation (two), Shooters (two) and a Liberal Democrat, as well as three Greens. That gives Labor a few potential partners to negotiate with.

But it could become difficult, particularly if the Liberals play hardball. It could become very difficult indeed.

In the Senate, at face value, we allow an even bigger departure from "one vote, one value" by giving each state the same numbers of senators, regardless of size. But that has virtually no political impact, because each state tends to vote in a similar way – and to the extent that they have consistent preferences for one side or the other, they cancel each other out.

It's a very different story in the west. On the votes as they stand, the 75 per cent of voters living in Perth will elect ten members from the left and eight from the right to their half of the chamber, while the 25 per cent of voters living in regional Western Australia will elect only seven from the left and eleven from the right to their half.

And it's always like that. This was perhaps Labor's best vote for fifty years, and it still was only good enough to give it as many seats as the Coalition parties it thrashed. Something is wrong here.

Suppose everyone's vote had the same weight. In a chamber of twenty-four members, Labor would have ten or eleven seats, and the Coalition nine or ten. The government would still be a minority, but with the Greens, it would have at least half the seats, and even without them, it would be in a better position to negotiate its legislation through the Council.

If you believe in democracy, you can't think that would be unfair. With a bit over half the vote counted, Labor has won 41.6 per cent of votes for the Council while the Coalition parties won just 31.7 per cent. (The Greens have won 8.1 per cent, One Nation 7.5 and the Shooters just 2.2 per cent.)

Labor plans to cap campaign spending, require continuous disclosure of donations and lower the threshold for reporting them, and perform other fine-tuning of the electoral system. That's all good, but its electoral reform policy does need to tackle the elephant in the room that ensures conservative control of the upper house. No doubt it will have to bend the one vote, one value principle a bit in deference to the outback, but even shifting the electorates to four in Perth and two in the country would be a significant improvement.

A further issue: how was a Liberal Democrat elected? Because of two flaws in the electoral laws, which were fixed last year federally with reforms (led by finance minister Mathias Cormann) that the Barnett government failed to copy into WA law.

First, in five of the six upper house regions, the Liberal Democrats polled between 0.7 and 1.3 per cent per cent. In all of them, they had drawn places in the bottom half of the ballot paper, well behind the Liberals. But in South Metropolitan, they were in the top half of the ballot paper, ahead of the Liberals – and surprise, surprise, they polled 4.3 per cent. One can fairly assume that, once again, a minority of voters mistook them for the Liberal Party.

They then harvested the work of "preference whisperer" Glenn Druery, who was employed by five micro-parties to organise preference tickets to maximise their election chances. Once again, Druery did an excellent job, but it was only in South Metropolitan, and only thanks to that mistaken identity, that one of his parties actually won enough votes to reap the rewards.

Among other things, Senator Cormann's reforms minimised the risk of mistaken identity by requiring that party logos appear with their names on the ballot paper. They also ended the manipulation of preferences by abolishing group voting tickets, and instead allowed voters to make their own decisions on preferences. On any fair judgement, these reforms improved the integrity of our voting system. McGowan should include them in his electoral reforms – not just to attract Liberal and One Nation support, but because they are the right thing to do.

And, as Macbeth put it so well, "If it were done when 'tis done, then 'twere well it were done quickly."

**F**inally, the lessons for the Coalition at federal level should be obvious. You've seen your friend led in a tumbrel past the hooting crowds. You've seen how the guillotine works. That will be your fate soon enough if you continue to block, on ideological grounds, every reform that could actually fix the nation's problems. That's the job you were voted in to do, and you are not doing it.

On some key issues – fixing the budget, getting energy investment flowing – that will require bipartisanship, and this Labor opposition is not into bipartisanship either. But if the government goes

about it the right way, Labor will conclude that it has no choice but to join up.

I have suggested before that repairing the budget might be framed as the central narrative. To quote myself, “It would give both parties room to evacuate their established policy positions and tackle issues that we need to tackle.” That includes housing affordability, climate change, energy security, rising health bills, our cruel treatment of refugees – and, of course, getting the budget back into balance.

All those issues can be tackled in ways that help close the budget deficit, significantly, without harming the economy. They could also free up resources for a national infrastructure program and to help struggling Australians instead of taking welfare benefits away from them.

The 2017 budget is an opportunity for the Turnbull government to reboot. It should reflect a new mentality: one focused on solving problems rather than trying to exploit them, one that recognises that the bulk of Australians are not on the far right of the political agenda but in the centre. •

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