

REVIEW OF THE 2010 VICTORIAN STATE ELECTION
FOR THE VICTORIAN BRANCH OF THE AUSTRALIAN LABOR PARTY

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Contents

Foreword.....	5
THE LEAD UP TO THE 2010 STATE ELECTION.....	7
Changing Leadership.....	7
Managing the Pressures of Population Growth.....	7
Public Transport.....	7
Health.....	8
Water.....	9
The Black Saturday Bushfires.....	9
Community Safety.....	10
The Global Financial Crisis.....	10
The Federal Context.....	11
ALP Head Office.....	13
LABOR’S CAMPAIGN STRATEGY.....	15
Background.....	15
The Leadership Theme.....	16
The Future Focus.....	21
The Marginal Seats Strategy.....	22
Polling and Research.....	23
Labor’s Campaign Narrative.....	24
Labor’s Advertising Campaign.....	26
The Positive Advertising Campaign.....	26
The Negative Advertising Campaign.....	26
Winning the War of Ideas.....	28
THE ISSUES THAT HURT LABOR.....	33
Time For A Change.....	34
Public Transport.....	35
Cost of Living.....	37
OTHER ISSUES THAT HURT LABOR.....	39
Energy Regulation and Reform.....	39
Extension of Clearway Times.....	40
TAFE Reforms.....	40
OTHER CAMPAIGN ASPECTS.....	42
The Last Week.....	42

The Media	46
CAMPAIGN LOGISTICS.....	49
The Direct Mail Campaign.....	49
Local Campaign Announcements.....	49
Support for Local Candidates.....	50
Kilsyth Pre-Selection Primary.....	51
LABOR’S INNER CITY CAMPAIGN	52
Labor’s Contest with the Greens Party.....	53
The Green Party’s Campaign.....	54
The Election Result.....	54
Inner City Vote Comparisons-2010 Federal and State Elections	57
Inner City Conclusions.....	58
THE IMPACT OF GREEN PREFERENCES ON THE ELECTION RESULT	61
THE LA TROBE VALLEY AND EAST GIPPSLAND	64
The La Trobe Valley.....	64
East Gippsland.....	66
PARTY REFORM.....	67
ALP Head Office	68
Structure of Branches and the FEA.....	69
Staff Employment, Training and Development.....	70
Women in Head Office.....	71
ALP Finances	73
Previous Reviews	75
SUMMARY OF RECOMMENDATIONS:.....	76
ACHIEVEMENTS OF THE BRACKS & BRUMBY LABOR GOVERNMENTS.....	81
The Future.....	82
REVIEW PROCESS	88

Foreword

The 2010 Victorian State election saw the Labor Party ask voters for an unprecedented fourth term in government. It was an election the government was widely expected to win. Twelve months out from the election, Labor was riding high in public opinion polls, with a strong two party preferred lead of 57% to 43%. This was stronger than its actual vote at the 2006 State election. Victorian Labor was seen by many experts as a competent government that had performed well. It was widely regarded as one of the best State governments in the country. Most political analysts and media commentators predicted a likely Labor victory. The State Opposition had offered little in the way of a policy alternative and seemed unable to gain significant traction with the electorate.

Relationships with the Victorian business community were strong and key business leaders praised the fiscal responsibility and strategic directions being pursued by the Brumby Labor government. Victoria was experiencing record population growth and the economy was strong, with low unemployment and robust growth in major sectors of the economy, such as building and construction. The State had successfully weathered the global financial crisis.

Victoria had a Triple A credit rating and enjoyed healthy Budget surpluses, which were promptly invested in a record capital works program. In 2010-2011 \$9.5 billion was committed to deliver capital projects across Victoria and key areas of state service delivery had received a significant funding boost. Major investments were being made in areas such as schools, hospitals and public transport. Whilst Victoria had experienced a decade of drought and the trauma of the 2009 Victorian bushfires, the relatively new Premier in John Brumby was widely seen to have shown strong leadership during the State's worst natural disaster.

And yet Labor lost the election, with a state-wide swing of 6% against it. Whilst the election was a cliff hanger and Labor might have snatched victory, with a two party preferred vote of 48.4% it did not deserve to do so. Labor lost 12 seats in the Legislative Assembly. Labor's primary vote dropped from 43.06% to 36.35%, a loss of 6.71%. In the last 21 State and Federal elections, only the 1990 Federal election and the Kennett victories of 1992 and 1996 have produced a worse result for Victorian Labor. In metropolitan Melbourne the swing against Labor was 7.61%, and in regional Victoria it was 5.1% or 4.7% if you exclude the extraordinarily bad result in the La Trobe Valley.

This Review examines why Labor lost the 2010 Victorian State election. Labor's defeat is a collective responsibility. The Review does not seek to apportion blame or advance theories for the loss based on commentary or a pre-disposed view of the reasons. Rather the Review seeks to reach conclusions based on evidence. It includes an analysis of the Victorian State election result, public opinion polls and our own internal polling. It also draws on the evidence and submissions made by key players in Victoria's election campaign from the Premier and Party Secretary down as well as the considered views of Caucus and Party

members. It is a Review that seeks to learn lessons from this campaign in the hope that they will assist the next one, though conscious it will be fought on different political terrain, and from Opposition. It is intended to provide some of the initial building blocks for a tilt at government in 2014.

Whether Labor can be competitive will depend on how quickly it can adjust to the realities and demands of Opposition. One term governments are rare, the last in Victoria the casualty of the Labor Split in 1955. The Baillieu government has the advantage of incumbency and must start favourites. It is critical that Victorian Labor absorb the lessons of 2010, holds the government to account and re-connects with the community. For it will only have a chance at victory if it can reinvigorate the party and its supporter base and present a genuine policy alternative based on core Labor values at the next State election.

Alan Griffin MP
Federal Member for Bruce
June 2011

THE LEAD UP TO THE 2010 STATE ELECTION

Changing Leadership

In 2006 Labor won the State election with a two party preferred vote of 54.38%. The swing against Labor was 3.38%, resulting in the loss of 7 seats, mainly in the outer eastern suburbs of Melbourne and the La Trobe Valley. A swing was expected, given that Victorian Labor had recorded a two party preferred vote of 57.76% in the *Brackslide* of 2002, its highest vote in State political history. The Premier Steve Bracks enjoyed a high public standing and renewed the government with 6 new Ministers.

Less than 12 months into his third term, the Premier announced his shock resignation, followed on the same day by the Deputy Premier, John Thwaites. Labor made a seamless transition without rancour to John Brumby as Premier, who was elected unopposed, along with his new Deputy, Rob Hulls. Nevertheless, Labor had lost two of its most experienced and respected leaders at the core of government decision making.

Managing the Pressures of Population Growth

Since 2001, Melbourne's population has swelled by 605,411, resulting in rapidly expanding growth corridors requiring new infrastructure and services. For nine years, Melbourne experienced the biggest growth rate of any city, adding on average 1,300 new residents a week.

By the end of 2007 it had become apparent that managing the pressures of a rapidly growing population on the State's infrastructure and service delivery would present the biggest obstacle to a Labor victory in 2010. The strains were evident and the public was increasingly anxious. Public transport, law and order and the pressures on the health system were now showing up in research as the three most significant negative issues confronting the government.

Action was taken by the new government on a number of fronts. Major projects that had been promised but not started, such as channel deepening, the North-South pipeline and the desalination plant were all commenced and new trains were ordered.

Public Transport

Public transport patronage, particularly on trains was growing at a rapid rate. Between 2004-05 and 2009-10 annual passenger trips on trains grew from 145.1 million to 219.3 million, and trams from 145.3 million to 175.6 million. Overcrowding on trains and trams became a potent symbol of the government's inability to manage a rapidly growing population. The Victorian Transport Plan was conceived in late 2008 to deal with the burgeoning problems of public transport and the growing traffic snarls on Victorian roads.

Whilst the Plan was recognised as a significant and overdue recognition of the need to invest in public transport, it was heavily reliant on Federal funding and came too late to significantly improve the performance of the system before the 2010 State election.

In addition, the benefits of the Plan were quickly buried in the summer of 2008-09 when soaring temperatures threw the train network into chaos and train delays increased as a result of wildcat industrial action. Throughout 2009 the emerging problems bedevilling the MYKI ticketing system and associated cost blow outs were increasingly seen as evidence of government incompetence and waste. The decision in 2009 to end the contract with troubled train operator Connex and engage Metro was not the circuit breaker the government had hoped for. Struggling with ageing infrastructure and a shortage of rolling stock, Metro's performance was even worse than Connex's in the first 12 months of the new contract.

Health

Health expenditure grew strongly over the 11 years of the State Labor government. Since 1999 recurrent funding for health services had been boosted by 130%. In 2010 Victoria's health system was treating 700,000 more patients than it could a decade ago, with almost 11,000 additional nurses and 3,500 more doctors in the system. Over 100 hospitals had been or were in the process of being upgraded. Labor also delivered reforms to improve performance and health outcomes including increased funding for the ambulance service, a Hospital Admission Risk Program and devolved governance for hospitals and health services. As a result Victoria's hospitals and health services are treating a record number of patients and treating them faster.

However, a rapidly growing and ageing population had exerted massive pressures on Victoria's health system over the decade. In addition, the Commonwealth share of funding for Victorian hospitals had declined over the same period from 50% to 40%, to be lifted only marginally under the Rudd Labor government to 42%.

This resulted in a number of challenges and difficulties for patients within the Victorian hospital system. Some patients were not seen by doctors or nurses within the clinically recommended waiting time and hospitals still struggled with capacity problems because of a shortage of beds, nurses and doctors. The election year saw an acrimonious debate between the Federal and Victorian Labor governments over the direction, funding and control of the State health system. This debate was damaging to the Labor brand, even though it also reinforced that Victoria had the best and most efficient health system in the country. A Federal Labor Prime Minister trading blows with the Premier did not help Labor's cause in an election year.

Water

From 2004 the prolonged drought drove the government to increase its efforts to improve water security. A record low rainfall in 2006 and plummeting water storages saw the government initiate a series of water conservation measures and investigate options to increase the fresh water supply in response to the crisis. These included the proposal to pipe treated recycled water from the Carrum Sewerage treatment plant to cool power stations in the La Trobe Valley in return for piping fresh water currently used for this purpose to Melbourne. A scare campaign by the Coalition on this proposal contributed significantly to the loss of the seats of Morwell and Narracan at the 2006 State election, along with other local factors.

Public criticism of inaction by the government on major water projects was muted with the commitment to build the North South pipeline, the Food bowl modernisation project and the desalination plant. Whilst the State Water Plan released in 2007 received widespread support from water experts, it was subject to continual criticism from the Opposition. Ironically, the veracity of these projects was questioned by some commentators when drought breaking rains soaked Victoria throughout the Spring of 2010, easing the sense of crisis. In particular, serious concerns were raised about the size, cost and value for money of the desalination plant. According to the Opposition, Labor's water projects were "never, ever needed." The widespread opposition by irrigators and residents in northern Victoria to the North South pipeline was galvanised in the Plug the Pipe campaign and was a significant factor in the loss of the Labor seat of Seymour.

The Black Saturday Bushfires

The catastrophic Black Saturday bushfires in February 2009 were a defining moment for the government and the Premier. The government's response and the Premier's leadership following the fires were widely praised. John Brumby's handling of the disaster contributed to a significant increase in the Premier's standing within the electorate.

However, the enormous effort required for bushfire recovery and reconstruction together with the Bushfire Royal Commission consumed the time and energy of the government throughout 2009. The strong support given to the government for its handling of the crisis, where its two party preferred vote hit 57/43 in November 2009 also contributed to a false sense of security for Labor. The findings of the Commission undermined the confidence of the public in the leadership of the state's emergency services along with the goodwill that had been generated towards the government in the immediate aftermath of the fires. The \$1 billion plus Budget commitment required to rebuild fire affected areas and implement the findings of the Bushfire Royal Commission significantly drained the government's financial resources at a time when a number of other areas required urgent attention.

Community Safety

By 2009 drunken, anti-social behaviour and violence in and around the Central Business District, entertainment precincts and on public transport had come to the fore. Armed with selective statistics that showed an increase in assaults together with graphic media pictures of unprovoked street violence in and around nightclubs, the Opposition ramped up a law and order campaign. Inconsistencies in sentencing by some judges did not help. The first responsibility of any government is to make the community feel safe and the level of concern generated around personal violence certainly undermined the government's standing with the electorate. The government initially trialled a 2am lockout from venues which was not regarded as a great success but did alienate a significant number of young people.

In April 2010 the Opposition announced its law and order policy, including a minimum mandatory sentence regime, a commitment to recruit 1,600 extra police, with 940 "protective services officers" to patrol every Melbourne railway station and those in the main regional cities from 6pm to the last train, seven nights a week. The policy, whilst flawed, was powerful symbolically and easy to understand. Labor subsequently announced 1,966 extra police over 5 years along with extra transit police and measures to tackle the knife culture amongst young people. The government also put in place a series of initiatives to address crime in the CBD. Initiatives such as this usually take 12-18 months to deliver significant results, but the indications are that the changes made to the law and the funding provided for additional police helped to neutralize this issue in the lead up to the State election.

The Global Financial Crisis

Victoria, like the rest of Australia weathered the Global Financial Crisis well. The State Budget in May 2009 had a strong focus on infrastructure investment to support jobs. The Budget's objective was to deliver 35,000 jobs over 12 months by investing in infrastructure and services and stimulating economic activity. During the global financial crisis Labor believed it was more responsible to invest in infrastructure and jobs than to cut taxes. This strategy was vindicated, with 100,000 new jobs created in Victoria over the 12 months to May 2010, the best of any State. Economic activity and GST and taxation revenue were all affected by the Global Financial Crisis, but Victoria emerged from this period in a strong economic and fiscal position.

However, the Coalition opposed the increased emphasis on debt financing public infrastructure investment and continued to hammer its themes of government waste, ineffective service delivery and cost blow outs on major capital works projects. They continued to call for major cuts to land tax and stamp duty and reduced government debt whilst simultaneously calling for increased investment in schools, hospitals, roads and public transport.

The community, having dodged the GFC bullet gave little credit to the State (or Federal) government and instead focussed on the issue of Federal government maladministration and waste in areas such as the home insulation program and the school capital works program. Perceived shortcomings in these two programs were effectively highlighted by the Federal Opposition and some sections of the media.

The Federal Context

The state of the Federal Labor government provided an important backdrop to the 2010 Victorian State election.

Throughout its term the Rudd government had pursued an agenda that was heavily focussed on addressing perceived shortcomings in State government service delivery. As a result the Council of Australian Governments often became an arena for conflict in areas such as the Murray Darling Basin Agreement, the Building the Education Revolution, the Vocational Training Reforms and the Health Reform agenda.

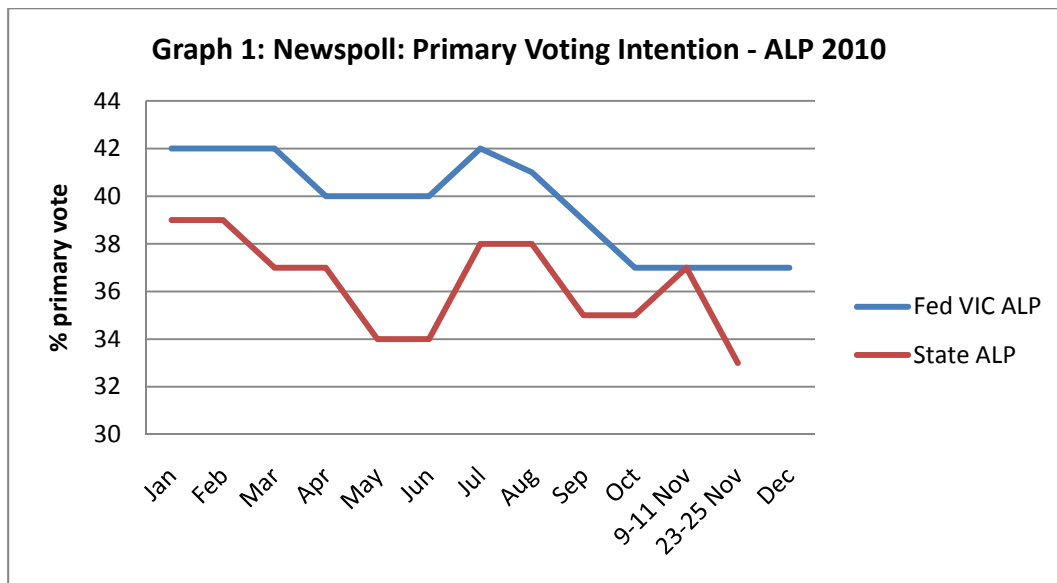
Throughout 2010 the standing of the Rudd government was progressively eroded by a series of policy back flips on issues such as climate change and controversies associated with the home insulation and school rebuilding programs. According to Newspoll, Federal Labor's primary vote fell from 43% on 18th April to 35% on 20th June, although Labor still led on a two party preferred basis 52% to 48% over the Coalition.

It has been suggested by a number of contributors to this Review that Federal Labor's stumbles throughout 2010 damaged brand Labor and had a direct impact on Labor's standing in Victoria in the lead up to the State election. The shock replacement of the Prime Minister on 24th June, the listless Federal Labor election campaign punctuated by a series of damaging leaks, the hung Parliament and protracted negotiations with the independents and the Greens all contributed to voter fatigue and disenchantment.

However, Federal Labor polled extremely well in Victoria at the August election, achieving a primary vote of 42.81% and a two party preferred result of 55.31%, its best ever. It can be speculated that this strong showing is partly because some of the issues clearly damaging the Federal government such as the mining tax and BER waste and mismanagement were not having the same impact in Victoria. Another possible factor was the strong local support for the new Victorian Prime Minister Julia Gillard in preference to Tony Abbott. It has also been suggested that Labor was relatively well regarded in comparison to other State Governments. This strong endorsement continued in the post election period in the October to December Newspoll, with two party preferred support for Federal Labor in Victoria steady at 55%.

In addition, the ALP's own internal polling along with published opinion polls showed Victorian Labor enjoying strong electoral support with a two party preferred vote of 55% in July/August (Newspoll), 55% on 21-23 September and 56% on 16-17 October.

The best proxy for electoral support for brand Labor is the trend in the primary vote over 2010 for the Federal Labor government in Victoria and the trend for the Victorian Labor government. This is illustrated in Graph 1. It shows that the Federal Labor primary vote was still consistently higher than the Victorian Labor primary vote and that the gap between them became more pronounced during the official Victorian election campaign period.



However, the uncertainty following the Federal election and the political dynamics that unfolded did impact on the Victorian election in a number of ways which are referred to within this report. For example, negative perceptions regarding alleged waste and mismanagement were reinforced as a result of Federal issues. In addition, the Victorian government believed costings were more likely to become a critical point of comparison during the State campaign as a result of the black hole discovered in the Federal Coalition's policy proposals. The focus on the Greens also clearly had an effect on the Victorian campaign. The role of the independents in a hung Parliament also played out in the verdict delivered by voters against Craig Ingram in the seat of East Gippsland

It is also true that the Labor brand was continually eroded by the incessant campaigns of the Herald Sun, particularly on law and order and public transport, and the intense scrutiny of The Age, which seemed to give a platform to almost any individual or group that had an issue with the government. This contrasted with the relatively uncritical analysis of the Opposition and its policies, particularly in the election campaign.

The support for Victorian Labor can therefore only be described as brittle, a point reinforced by the strong and quite widespread feeling that the State Labor government had lost touch with voters and that it was time for a change. Coupled with the growing credibility of the Baillieu Opposition which was viewed as increasingly electable by the Victorian public and it

is easy to see why State Labor's vote dipped as soon as the formal election campaign was underway.

It was therefore difficult for the Brumby Labor government to get some "clean air" for campaigning purposes during the lead up to the Federal election and its immediate aftermath. Voters had become jaded with politics and weary of elections. However, that only increased the need for Victorian Labor to run a campaign that captured the imagination of voters and turned it into a genuine contest. Unfortunately it was unable to do so.

ALP Head Office

The Victorian State Labor Party has had six State Secretaries in 9 years, (Feeney, Lindell, Locke, Newnham, Reece and now Noah Carroll). Several of these State Secretaries were casualties of the changing factional re-alignment going on within the Victorian Labor Party. There is also a long list of key party officials, at last count at least eight in the past 5 years, most of whom lasted less than 18 months. This represents an enormous amount of churn and has contributed to a significant loss of corporate memory over time.

Labor did not enjoy the same healthy bank balance it had in the lead up to the 2006 campaign. Between 2007 and 2009 the Victorian Branch spent approximately \$420,000 on five by-elections in Williamstown, Albert Park, Kororoit, Altona and the Federal seat of Gippsland. This was the inevitable result of the wear and tear on a long term government, resulting in the resignations of the Premier, Deputy Premier and two Ministers, but did result in a significant drain on the party's resources. In two of these seats the Liberals had the luxury of not running a candidate. For the government, it was vital to not only elect a replacement member in heartland Labor seats, but also record a good electoral result in circumstances of prolonged incumbency and a likely by-election protest vote. This reduced the financial resources available to the party for the general State election.

The period August 2008 to August 2009 saw a significant level of dysfunction in ALP Head Office. Factional splits and re-alignments undermined the authority of the Party office. The resignation of the State Secretary also saw the Assistant State Secretary depart and one of the Premier's Senior Advisers, Nick Reece installed as part of a new team to take Labor to the 2010 election.

Nick Reece was one of the Premier's most senior Advisers and the Premier actively supported him for the position of State Party Secretary. Nick Reece's appointment meant that the Premier's confidence in Head Office was restored. However, the nature of the appointment was a significant departure from past practice. It is also fair to say that the prolonged period of time taken and the process employed was not ideal for filling such a crucial position.

Mike Kaiser conducted a review of the operations of the Victorian Branch in October 2009 and recommended a number of changes necessary to prepare for the forthcoming election. Kaiser found that insufficient research work had been done on message development and strategic positioning. He also concluded that the Victorian branch was not properly resourcing or directing the right personnel to individual seats. Kaiser also found that Head Office was poorly organised in terms of office structure, systems and staff training and morale. Some of the conclusions reached by Mike Kaiser are disputed. However, the services of some staff were terminated and the office re-organised. The new State Secretary spent a considerable amount of time re-organising the Party's finances and dealing with HR issues. The Kaiser Review recommendations were progressively implemented.

The Party was also behind in its fundraising effort. This occupied a substantial amount of time for the new Party Secretary. However, as someone with considerable profile and credibility with the business community, a large burden also fell on the shoulders of the Premier.

The relationship between Head Office and the Premier's Office improved quickly. Regular meetings resumed and information regarding campaign preparations and the research program were shared. Whilst the previous State Secretary had commissioned approximately \$500,000 in market research to help prepare messages and plan the 2010 campaign strategy, there is little evidence that this research base was utilised by his successor. Instead a new research program was constructed from scratch using a newly commissioned research company. This research program was suspended in the lead-up to the Federal election and during the prolonged negotiations with the Independents. This was necessary given the confusion of Federal and State issues expressed by voters and the predominance of Federal issues in the media. However, as a consequence Labor's research program was running months behind schedule, leading to delays in finalising the key narrative, messages and strategy for the campaign.

The loss of experienced staff also meant that Labor's research program was not as advanced as it could have been. Considering that the research program and the resultant media buy runs into millions of dollars and consumes the lions share of the Party's financial resources, this can have significantly adverse consequences for the overall campaign effort. This is not a criticism of the team in place, a number of them have considerable talent and should be nurtured. It is an observation that most of the Head Office team had not directed a research program of this nature or scale before. This is discussed further in the section on polling and research.

LABOR'S CAMPAIGN STRATEGY

Background

Labor's campaign strategy centred on several key elements:

"Creating the Contest - *To win the election Labor knew that it had to create a genuine contest. Labor knew that it could ill afford the election to become a referendum on the government.*

To elevate the contest we focussed our campaign attack around the readiness of the Opposition, the lack of credibility of their leadership and their lack of ideas. There were a number of parts to this including:

Leadership - *that John Brumby was "for the times ahead," a more effective and experienced leader than his counterpart. Contrast the leadership style of John Brumby with that of Ted Baillieu.*

Costings - *show that the Coalition was not ready to govern.*

Greens - *highlight the hypocrisy of Conservatives siding with the Greens.*

Conflicts of Interest - *use scrutiny of the Opposition to highlight how the Coalition leadership could not be trusted.*

Win the War of Ideas - *demonstrate that Labor still has the energy and vitality to serve another term through a better policy offering than the Opposition."*

(Dan O'Brien, Chief of Staff to Premier Brumby 2007-2010).

Labor went into the State election believing that it would win. It was widely regarded as one of the best performing State governments in Australia. Labor was of the view that it had a superior political product to put before the electorate. It had a solid track record of performance and investment, sound policies and a strong Leader, the preferred Premier. In contrast, the Opposition had few policies and little credibility. It had a low profile front bench and a Leader who was seen by Labor as weak and ineffectual.

Whilst Labor talked down the prospects of success, the overwhelming view amongst campaign strategists was that this was a government that should win. Key stakeholders and the media all thought Labor was bound for government over the next four years. Although a number of key players told the Review that they thought this election would be difficult to win, there is very strong evidence to suggest that most were confident Labor would be re-elected.

As a consequence Labor ran a very conservative campaign. It kept all marginal seats in the frame. No 'Brisbane line' was set. A number of hard calls were not made. Resources were not adequately focussed on the key battleground seats where the election would be won or lost. Labor took very few risks. It ran a tight Budget ship. There was little in the way of new cut through policy initiatives. Labor did not seek to prosecute an issues based campaign; its campaign was highly Presidential. Its negative execution on the Liberals lacked conviction.

The above circumstances also helped produce an environment where a number of key issues generated a lot of discussion, but not always decisions. This is evident, for example, in key decisions on the group of marginal seats to be targeted and on our advertising campaign. An important lesson to learn is that when developing and prosecuting a campaign, key decisions need to be made, even if the decision is not always clear cut and unambiguous. In the main, the ALP acted like the election was Labor's to lose rather than one we had to win.

The Leadership Theme

John Brumby consistently led the polls as preferred Premier by a wide margin. Indeed, following the Black Saturday bushfires the Premier's lead extended to 32 percentage points (Newspoll), a lead that varied little throughout 2009. In January 2010 the lead had narrowed to 22 points and remained thereabouts in the lead up to the State election. This is reflective of what usually happens outside election campaign periods for State and Territory leaders and demonstrates the value of incumbency.

However, at the end of the first week of the campaign John Brumby's preferred Premier lead over Ted Baillieu had narrowed to 14 to 16 points, (Newspoll, Nielsen) and by the end of the campaign to 5 to 10 points, (Nielsen, Morgan, Newspoll), although Galaxy continued to show a significant 17 point lead for Brumby.

Labor built a large part of its campaign strategy around the question of leadership. Labor believed this would be a strong positive in the election campaign. John Brumby was portrayed as hard working, strong and experienced; a man on the side of ordinary Victorians who stood up for the State. By way of contrast, Ted Baillieu was portrayed as being weak, a lightweight who was not doing the hard work and just not up to it; a rich man who was indifferent to the needs of real Victorians, "the toff from Toorak."

We wanted to turn the election into a Presidential style race between Mr Brumby and Mr Baillieu..... Even after the polls tightened John Brumby enjoyed a significant lead over Ted Baillieu as preferred Premier. He also had a significantly higher approval rating. On these two metrics Mr Brumby was clearly a lift on the Labor vote, rating more highly than Labor's primary, while Mr Baillieu was a drag on the Liberal vote."

(Nick Reece, ALP State Secretary, Melbourne Press Club, 16th December 2010)

Internal polling for the Labor Party in April 2010 gave some credence to this narrative. John Brumby was seen as “harder working, a person who cares more for people and in it for the long haul” compared to his opponent Ted Baillieu. However, even at this stage on all the other attributes their polling was very similar, suggesting there was no significant difference between the two and overall Baillieu’s numbers were still quite strong.

Table 1: Leader Attributes - April 2010

Thinking of Premier John Brumby/Opposition Leader Ted Baillieu do you strongly agree or agree that each of the following describes Premier John Brumby/Opposition Leader Ted Baillieu?

<u>Total Agree:</u>	<u>Brumby</u>	<u>Baillieu</u>
	%	%
Hard working	86	71
Determined	82	79
Someone who will stand up for Victoria	77	72
In it for the long haul	75	65
Cares for people	72	64
Cautious	58	53
Arrogant	50	46
Someone who will stand up for you	44	45
A person you can rely on	42	44
A person you can trust	37	40

Source: UMR April 2010

However, by the election campaign both men were seen as very similar. Any advantage Labor had enjoyed in the leadership space was blunted by Ted Baillieu’s strong performance as Opposition leader in the lead up to and during the election campaign. In the Newspoll of 15th November on the leader’s attributes John Brumby was seen as more experienced, but also slightly more arrogant and less trustworthy. On attributes such as “likeable,” “has a vision for Victoria,” “understands the major issues,” is “in touch with voters” and is “decisive and strong,” voters gave a very similar rating to both leaders. The “more experienced” advantage can be attributed to John Brumby’s incumbency as Premier.

Table 2: Leader Attributes - November 2010

Here are some of the words used to describe Brumby/Baillieu. Do you strongly agree, partly agree or disagree that each of the following describes Brumby/Baillieu?

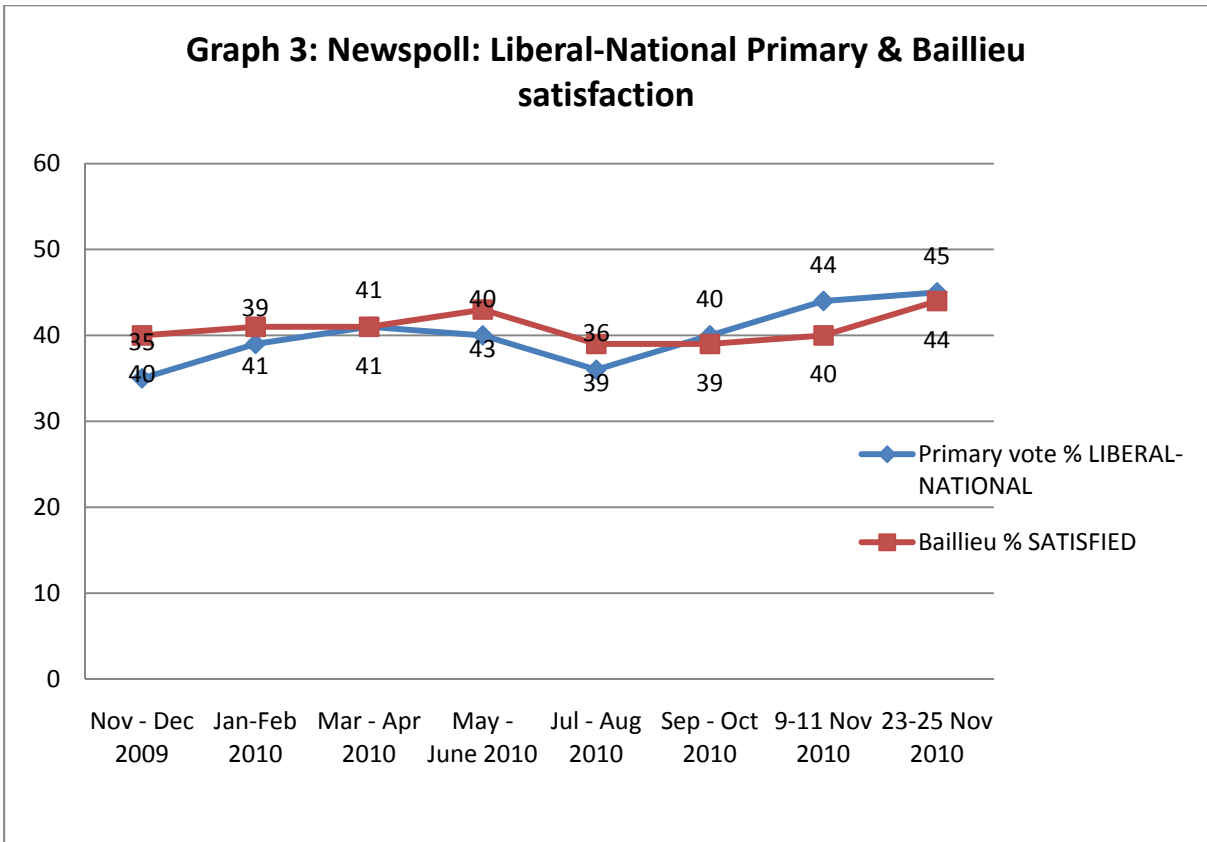
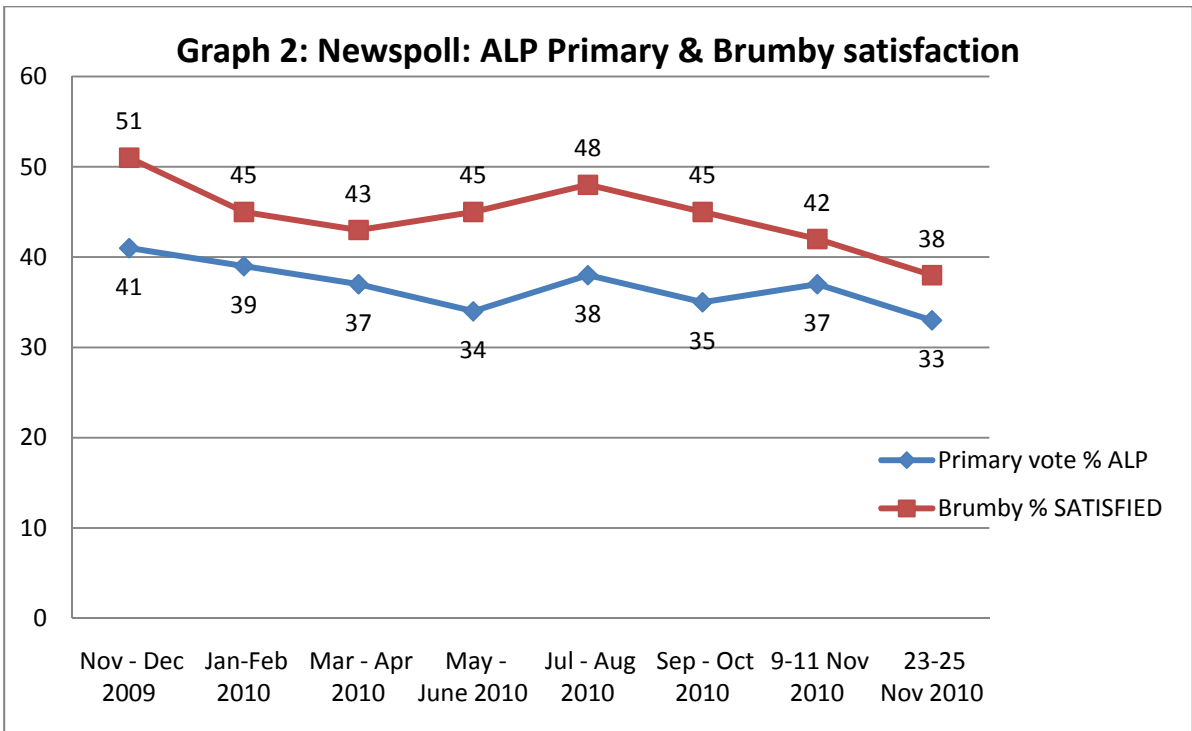
<u>Total Agree</u>	<u>Brumby</u>	<u>Baillieu</u>
	%	%
Likeable	76	74
Has a vision for Victoria	77	76
Understands the major issues	76	80
In touch with the voters	64	66
Decisive and strong	75	72
Trustworthy	64	73
Arrogant	57	49
Experienced	89	70

Source: Newspoll and The Australian 15/11/10

Throughout the 2010 pre-election period the percentage of voters satisfied with the way John Brumby was doing his job as Premier ranged from 43% to 48%. In the last week of the campaign it had fallen to 38%. The same ratings for Ted Baillieu as Leader of the Opposition ranged from 39% to 44%. In the last week of the campaign it had risen to 44%, (Newspoll).

More fundamentally, whilst John Brumby's satisfaction rating was consistently higher than Labor's primary vote, Ted Baillieu's was also higher than the Liberal primary vote, at least in the period March to October 2010 when Labor was making crucial campaign framing decisions. Secondly, John Brumby's lead over Ted Baillieu as "better Premier" was only 10-14 points in the 2010 election campaign, compared to Steve Brack's lead of 23-28 points over Baillieu in the 2006 State election.

In recent times the growth in support for the Greens Party has largely been drawn directly from Labor. However, the overwhelming majority of this vote does return to Labor on preferences. This is a significant part of why a Labor leader's satisfaction rating should be higher than Labor's primary vote.



There are a number of conclusions that can be drawn from this analysis.

First, the preferred Premier measure is a blunt and unreliable measure of the standing of the two leaders with the electorate. The Premier enjoys the benefits of incumbency; the power to make decisions, and deploy the resources of the State to implement policy. Incumbents generally receive more exposure in the media than those who are challenging them and carry the authority of elected office. Opposition Leaders outside of election campaigns are reduced to scrutinising government decisions and holding the government to account. It is usual for the Opposition Leader to trail the Premier in such polls. An Opposition Leader who trails as preferred Premier by up to 20% is still within striking distance. From this position they can reinforce their standing as an alternative leader in the course of an election when both parties and leaders are treated as genuine equal contenders for office by the media and the voting public.

Second, satisfaction ratings for leaders are not a good guide to how people will vote, especially given the large number of uncommitted voters in these polls, (often over 25%). Many voters simply don't know the leaders, or have no firm views about their performance. This is particularly true of Opposition leaders. In contrast, voters may be satisfied with the job you are doing as Premier, but still vote for another party.

As an aside, this is something Labor should bear in mind now that it is in Opposition. Daniel Andrews, as a new face to the public can expect to trail Premier Baillieu in the opinion polls for the next four years. It will take some time for the public to get to know him, to weigh his performance and assess the readiness of Labor for government. But a lower rating as preferred Premier does not mean that come 2014, he will not be seen as a credible alternative leader for Victoria.

Third, in 2010, Labor's leadership advantage was not as strong as asserted by the ALP. In truth both leaders were not well known by voters and seen as pretty similar. Labor underestimated Ted Baillieu as Leader of the Opposition and thought it would readily win a leadership contest in the minds of the voters.

In every election campaign, State or Federal, leadership features strongly. John Brumby was without doubt a good Premier and Labor leader. However, in framing a campaign the weight and focus given to leadership will obviously depend on a range of electoral indicators as well as the views expressed by voters in qualitative research. However, if our leader does not have a massive lead as preferred Premier, or high levels of public approval, or significantly differentiated positive traits compared to the Opposition Leader, then an undue emphasis on leadership carries with it some risks.

The Future Focus

Labor attempted to give the election a future focus. Labor did not want the Liberals to turn the election into a referendum on the past. Consequently Labor sought to concentrate the minds of voters on the challenges of the future and which leader and party was best equipped to meet them. Labor's campaign slogan was "for the times ahead." Specific challenges were identified and reiterated in campaign materials, such as:

- The challenge for education with 200 babies being born every day;
- The challenge in health with over 1,000 Victorians turning 65 each week;
- The challenge of creating jobs with an uncertain global outlook;
- The challenge of growth with 100 new homes built every day.

However, there were a number of obstacles to the effectiveness of this strategy. First, many of these challenges had been around for some time. Victoria had been experiencing the pressures of strong population growth over a decade and the Labor government was perceived as not having handled these pressures as well as it could have. In the last four years these pressures had caught up with the government as the effects of inadequate investment in critical areas became more acute. Consequently, reminding people of these challenges was also a reminder of Labor's perceived shortcomings in meeting these challenges. In a number of areas Labor was reluctant to admit its mistakes, apologise for its shortcomings and commit to doing better in the future. To the extent that Labor did admit its mistakes, it was too little, too late.

Secondly, Labor had chosen not to run strongly on its record, but instead focus on leadership for the times ahead. However, it is difficult to convince voters you will meet the challenges of the future if you do not link your capacity to do so with your record of achievement. Labor's efforts to do so were patchy. To take just one example, public transport had emerged as a key vote switching issue in the lead up to and during the election campaign. It was central to the debate about congestion and how to efficiently move people and goods around the city. Yet Labor took the decision to avoid discussing public transport wherever possible and concentrate on areas where Labor was seen as a better performer than the Liberals. This meant that Labor vacated the field in an area where the Liberals were gaining significant political mileage. In addition, voters needed to be more strongly reminded of Labor's record in a number of areas in order to convince them that Labor would deliver in these areas in the future. In short, Labor posed the challenges, but did not convincingly articulate how it would meet them.

Third, due to high expectations of a Labor victory, Labor struggled to get the media or the community to focus on these challenges as a frame for the campaign. This was because in part, these challenges did not resonate with the day to day concerns of the Victorian community.

Consequently, the campaign became a referendum on Labor's performance in government rather than which leader and party was best equipped to meet the challenges of the future.

The Marginal Seats Strategy

Labor's marginal seats campaign strategy was built around defending every marginal seat, but did not take into account the government's true electoral position. No 'Brisbane line' was set. Unwinnable seats continued to be targeted as key marginals in the interests of Caucus unity and solidarity. Whilst this was admirable, it did mean that during 2010 party resources were not always targeted on the seats needed to form a narrow majority in what was always going to be a very tight election. However, during the official campaign period some resources were directed away from unwinnable marginal seats to seats that could be held based on Labor's electoral position.

In 1999 Steve Bracks scored an unlikely election victory on the back of discontent by country voters with a city centric Kennett government and a strong focus by Labor on regional issues. John Brumby was the mastermind of this strategy in 1999 and he traversed country Victoria relentlessly selling the Labor message. It remained a hallmark of the Bracks and Brumby governments for over a decade. The Regional Infrastructure Development Fund and the Regional Fast Rail Project were emblematic of the government's commitment to grow the whole State, not just metropolitan Melbourne.

In 2010 Labor developed a sophisticated political strategy for regional areas which included the State government's *Regional Blueprint* delivered in June and a series of high profile commitments to country Victoria. The Premier and Labor's Ministerial team campaigned hard in the country throughout 2009 and 2010. This strategy reaped electoral rewards, with the swing against Labor in regional Victoria contained to 5.1%. The fact that Labor almost won again in 2010 by holding all its regional seats except two, (South Barwon and Seymour), is a tribute to the strength of this strategy.

Despite Labor's unorthodox win in 1999, historically Victorian elections have been won and lost in the sand belt along the Nepean Highway and to a lesser extent the clay belt in the outer east traversed by the Maroondah Highway. Key marginal seats in these areas tend to go with government. Labor did not give sufficient weight to this in the 2010 campaign. The government did not appear to have a political strategy that was focussed on the particular issues and concerns of voters in these key marginal seats.

RECOMMENDATIONS:

- 1. That a decision on the key marginal seats to be targeted to achieve an electoral majority should be made two years out from an election.**
- 2. That the addition of new seats should then be considered again based on research at 12 months, 6 months and then the commencement of the election campaign.**

Polling and Research

Professional quantitative and qualitative research is an essential tool in modern political campaigning. Whilst the use of focus groups and polling is widely derided in the media, in depth information on what voters are thinking is critical to ensuring that the ideas and policies you want to convey are resonating with the electorate. It is central to framing a political narrative and communicating a message to a disparate electorate who obtain their information through multiple sources. The research undertaken for the ALP is voluminous and cannot be outlined in detail in this report. However, a range of issues have been raised by the research that requires further discussion here.

First, the research effort of 2006-09 under the previous State Secretary was not fully utilised for the purposes of this campaign. There are conflicting views about the adequacy of this research in identifying target voters and developing messaging for the campaign. Whilst some of the data was used, overall it was not. Whatever the merits of the argument, the lack of continuity in Labor's research program dissipated the Party's scarce resources.

Secondly, Labor's research program needed to be more consistently conducted over a longer period of time. In general, the value of quantitative research is trend analysis rather than a single snapshot.

However, it is also true that the Federal election proved to be a major disruption. Both prior to and post the Federal campaign there was a significant period of time when no meaningful research could be undertaken on State issues because of the dominance of Federal considerations. The polling and research program was rightly suspended during this period. However, it could also be argued that when our polling resumed it was still coloured by Federal perceptions and Federal voting intentions in the September/October period.

Finally, an overall assessment of the research program suggests that Labor's campaign team would have benefited from more experience in directing and shaping the research effort. There was not sufficient corporate knowledge in place to ensure that the research program met our campaign requirements. In future campaigns the Party will also need the help and support of people with strong quantitative and statistical skills who can analyse research, given the retirement of key personnel. A professional political party needs to be able to provide career paths that develop the knowledge and skills necessary to systematically analyse information and data. This is something that needs to be considered as part of Labor's professional development program for Party officials in the future.

As part of preparations for the 2014 campaign, the State Secretary should convene a meeting of key strategists to further consider Labor's polling and research requirements. This should include a demographer, a researcher with strong statistical skills, senior party officials and the Leader's office.

RECOMMENDATIONS:

3. That the Victorian ALP review its research and polling program in the lead up to the next State election with a view to:
 - Developing a training program for party officials, senior members of the Parliamentary Labor Party and key staff in poll analysis.
 - Studying the latest trends in opinion research overseas.
 - Establishing early the structure of the research program and the service providers to be used in order to develop strong working relationships.
 - Commencing our research and polling program earlier in the political cycle.
 - Making more effective use of Rapid Response Monitors in individual marginal seats based on problem areas identified through quantitative research.
 - Placing a greater emphasis on qualitative research.

Labor's Campaign Narrative

Every political party seeking a mandate to govern must have a story to put before the electorate. A political narrative helps frame the choices voters face in the election and sets the terms of the debate. A party that fails to communicate a strong narrative that resonates with voters usually loses.

In 2010 Victorian Labor faced a difficult task. It had already enjoyed Labor's longest period in government in Victoria's history. It had never won a fourth term before. Despite a decade of considerable achievement it had also accumulated the baggage of time and the ravages of office. Inevitably mistakes, the failure to act and the accumulation of problems with no quick fixes come back to haunt a long term government. Over time, any government that makes hard decisions will also alienate key sections of the community and particular interest groups.

The State election was always going to be close. While a swing of just over 6% in key marginal seats was required to tip Labor out of government, internal and public polling held the seeds of discontent and indicated that a substantial swing was a real possibility. Moreover, the February by-election in the safe seat of Altona showed that the electorate was turning against Labor, with a swing of nearly 12%. In virtually every poll throughout 2010, the Labor primary vote was consistently below 40%, mostly ranging between 34% and 38%. Victorian Labor has never won an election with a primary vote below 39%. To win, the ALP needed to convince more voters that they should support Labor ahead of the Coalition. It needed to win over voters in the course of the campaign.

Despite this, there was a widespread expectation that Labor would win. Two days before the election, only 24% of voters thought that the Coalition would win. The bookies had Labor on \$1.30 and the Liberals at \$4.65 the day before the election. To complete the mismatch between public expectations and reality, internal October polling showed a clear majority of voters, (56% to 24%), thought that Labor would win and yet only 40% thought

the government deserved to be re-elected and nearly 50% thought it was time to “give someone else a go.”

With the public expecting Labor to win, the ALP could ill afford to see the election turned into a referendum on the government. It had to make it a contest and ensure that the electorate focussed on the real choice they faced between Labor and the Coalition. This meant that not only must there be a critical evaluation of Ted Baillieu, his team and his policies but a strong Labor alternative for the future. Otherwise there was a real danger that voters would just pass judgement on Labor and register a strong protest vote.

Labor faced the added difficulty that during the election campaign the ALP’s research always showed that the Liberals had a stronger message than Labor.

In terms of the different approaches Labor could have taken to the campaign, party research indicated that the leadership frame was preferable....My view was that Brumby did well against Baillieu in a head to head comparison and this way of framing the ‘choice’ was better than the other alternatives,” (Nick Reece, Victorian ALP State Secretary)

A number of contributors to this Review have questioned whether a leadership contest was the best way to frame the choice faced by voters in this election. It has been subject to wide ranging discussion within party circles and the media since the election. John Brumby was a good leader and had significant strengths. However, whether Labor had a competitive advantage in the leadership stakes in the minds of voters has been called into question by the research itself and a number of contributors to this Review. Nevertheless it must be said that the leadership frame had been the focus of early research for the TV ad campaign and was well received in focus groups. It was broadly supported on the Campaign Committee and by key party strategists.

Labor’s research program was unable to identify a compelling campaign narrative that would increase the ALP’s primary level of support. Labor believed that it had been a good government that had managed the economy and State budget well and got things done, but this view was not strongly endorsed by the electorate. A number of contributors to this Review believe that Labor should have promoted its record more together with stronger cut through policies as part of a coherent vision for the future. It did not do so. Whether it would have helped change the election result is a matter of considerable debate. However, it is clear that the Liberal negative resonated with voters and switched voters from Labor to the Coalition.

Labor's Advertising Campaign

The Positive Advertising Campaign

Electronic communication of a political party's core message to the electorate is an indispensable part of any modern election campaign. Without it, the ALP cannot possibly compete for the attention of voters who principally receive their information through television, radio and the internet.

In this State election Labor spent around 13% less in real terms on media advertising than it had in the 2006 election. This made it difficult for Labor, which was asking the electorate for an unprecedented fourth term in office.

Labor's advertising campaign would have benefited from a more substantial research program that commenced earlier. In the opinion of our communications company, Labor was 8 months late in the development of the communications strategy that underpinned the advertising campaign. This hampered Labor's capacity to deliver a clear and strong campaign narrative throughout 2010, and stands in stark contrast to the Liberal core message which had been put before the electorate for at least 12 months.

Labor's positive advertising campaign was built around the persona of John Brumby. The ads were consistent with the view that the leadership comparison was the best way of framing the choice that voters faced in the election. The focus on the future and the leadership contest were therefore the basis for the ALP's Brumby centred positive TV commercials. These advertisements tested well with focus groups. However, apart from the Year 9 outdoor experience, these ads did not contain any strong propositions about Labor's program over the next four years.

The Negative Advertising Campaign

However, to win the election Labor also had to demonstrate that Ted Baillieu and the Liberals were a real risk and should not be elected to government. Labor's attack on the Liberals and Ted Baillieu was always going to be a difficult task. The Liberal Party had not been in government for 11 years. Memories of school and hospital closures, asset sales and service cuts under the Kennett government had receded in the minds of voters. Ted Baillieu was not well known by voters but was not perceived as likely to embark on the same brutal public sector cuts as Jeff Kennett.

The Liberal Party also made itself a small target on public sector cuts. In both the 2002 and 2006 election campaigns the Liberals announced Budget savings during the campaign that allowed Labor to credibly attack the Opposition on service cuts and asset sales. The Coalition had also spent 4 years criticising Labor for not cutting taxes and reducing State debt, the logical extension of which was that they would cut services and reduce infrastructure investment. However, the Liberals had learnt the lessons of previous campaigns and made themselves a small target on public sector cuts. In the lead up to the campaign the Liberals continually repeated a commitment to 'no cuts.'

Negative advertising always draws an adverse reaction from some sections of the public, but they are a central component of any campaign where a political party is seeking to put forward a positive vision for the future and draw the attention of the electorate to the shortcomings of their opponents. Indeed, a sustained negative campaign against Labor was the central feature of the Coalition's quest for government in 2010.

Labor struggled to settle on its core negative message about Ted Baillieu and the Opposition for the campaign. The research was not sufficiently strong to provide a clear direction. At no point did there appear to be clear agreement on the lines of attack. A number of the possible negative frames about Baillieu were contradictory. To give just one example, Labor could not decide whether the Liberal leader was a wealthy out of touch amateur who would be ineffectual as Premier or another Jeff Kennett, who would slash public services and cut infrastructure investment. Labor continued to test its attack lines throughout the election campaign. The merits of different approaches were the subject of considerable debate amongst campaign strategists over a long period of time. Whilst lines were settled on, it could not be said to be a conclusive resolution.

Labor's negative ads initially centred on the "Whiteboard" and "Meerkat" ads that were aimed at highlighting that Ted Baillieu was an unknown and not done the hard work needed to be Premier. These advertisements ran for just under two weeks. Some contributors to this Review have criticised these ads as presenting Baillieu as innocuous and therefore not a risk if he was elected. No one advertisement on its own appeals to every section of the electorate. Labor's ad campaign had to also make clear the significant risks associated with electing a Liberal government. Labor's PANCH ad on school and hospital sales attracted controversy, but in the end only ran for 6 days.

The Labor team struggled with its attack narrative on the dangers of a Liberal government, including the prospect that they were likely to cut services and infrastructure investment. Different ways of talking about the prospect of cuts under the Liberals were tested. A number of Labor's campaign team took the view that an attack narrative about the Liberals cutting services would not work. However, some are of the view that we did not adequately test whether cuts to services and infrastructure would be a good negative frame for this campaign. In their view, given the Liberals track record in cutting public services, this is a base frame that does resonate with the public.

Labor's negative ad campaign raised several propositions, all of them valid, but didn't really focus on a consistent theme to highlight the dangers of a Liberal government. Throughout the 2010 campaign, positive executions equated to 56% of the overall media spend with negative material representing 44%. In contrast, the vast majority of Liberal Party ads consisted of a negative campaign against Labor. In 2006, approximately 59% of Labor's overall media Budget was allocated to negative executions. The 2010 media spend in real terms was also less than in 2006. Therefore Labor could not be said to be running an overly negative campaign in 2010. That Labor was spooked by the pundits and pulled its punches is indicative of the mindset that Labor brought to the 2010 State election campaign.

Winning the War of Ideas

Despite its strong record of achievement Labor did not feel it could run strongly on its record. After 11 years in government the ALP had to present a compelling case for another 4 years. The difficulty for the government was that those compelling reasons were not forthcoming in this election.

Like all long term governments Labor had accumulated a string of unresolved issues as well as considerable baggage. In the lead up to the election, it also adopted the mindset of a government hemmed in by its own past rather than a political party seeking a fresh mandate. Whilst the Party Platform development process went reasonably well Labor's election commitments were relatively bland and held few riveting, cut through ideas. The exception to this was the Year 9 commitment which dominated the election for several days following Labor's formal campaign launch.

"Too many of the policy proposals had filtered up from previous Budget bids and were a 'brick on top' of what the Government had already been doing rather than something new and exciting that reflected a vision for the future.

(Andrew Herington, Senior Adviser, Policy Development, Premier's Office)

Labor had over 1,000 bids for election initiatives come through from Ministers offices together with local bids from the Caucus, but paradoxically very little that was bold and new. Labor needed several more new ideas that conveyed its core values and resonated strongly with voters. At one level Labor had less to say because it had already said so much. In the past two years it had released major initiatives in transport, on climate change and regional development, to name but a few. But Labor was captive of the voracious beast that is government. In its election policy pronouncements the ALP felt compelled to feed this beast rather than chart a new course for the future. It was also constrained by its commitment to fiscal rectitude and a robust Treasury costings framework which was ignored by the Opposition.

There was also an element of complacency around the government. Whilst Labor thought it would be a tough election and they could lose, like many observers the prevailing view within the government was that Labor would win. Cutting edge new ideas were not properly nailed or concluded.

"The 56% poll for us in October was the worst thing that could have happened to our campaign. It meant that collectively we did not make the decisions that we needed to make to pull out all stops to win the election."

(Nick Reece, Victorian ALP State Secretary).

Labor's policy development would have also benefited from a stronger relationship with its own research program. It would have also helped if proposals from Caucus members were integrated more at the beginning of the process rather than at the end. Overall, many of Labor's election offerings were worthy but not necessarily strategic.

State governments are always confronted with increasing demands for expenditure on services and infrastructure. Victoria had experienced record population growth for over a decade and the government was struggling to cope with the pressures it generated. However, the public expects State governments to provide these services. That is a given. It is at the heart of what State governments do. When you fall short the electorate will punish you at the polls. Labor understood this and continued to try and fund the massive growth demands it faced. However, after 11 years in government, it could not convince voters it had the solutions to the significant problems that existed.

Whilst Labor played on the Treasury costings playing field it had constructed, the Opposition refused to play and got away with it. As part of the process Labor was locked into releasing all its policies by the Monday of the final week so that they could be submitted for Treasury analysis. The Opposition faced no such constraints and released a string of policies at a cost of \$1.6 billion in the decisive final week. Even if Labor had wanted to counter this offensive with new commitments, it was unable to do so because of the fiscal straightjacket it had constructed for itself. Despite all the resources of government at its disposal, in the end Labor became a victim of its own longevity. This left it no match for a politically nimble and unencumbered Opposition.

Labor needs to re-think its policy development processes in preparation for the next State election. Some Policy Committees work better than others. It is arguable that there are too many Policy Committees and that their size and the way they are elected does not optimise policy development. A number of Policy Committees experience variable attendance and uneven policy development skills amongst the participants. To reinforce the importance of policy work, the rules in relation to Committee attendance and leave of absence should be strictly enforced. The State Parliamentary Caucus should ensure the election of delegates to each Policy Committee in accordance with the number of positions allocated to State Parliamentary members. The Leader of the State Parliamentary Labor Party should require elected MP's to fulfil their Policy Committee obligations.

Committee structures are not always ideal for promoting discussion on new policy ideas through the Party. A major weakness is the limited capacity of Policy Committees to go beyond their individual membership base and connect with new research, ideas and policies that could form part of Labor's future Platform.

The 2010 National Review has recommended that a central 'policy branch' also be created that could provide a forum open to all members who could hear from invited guest speakers through a program of lectures. This would encourage members to debate major policy issues following input from people with particular policy expertise who are party members or sympathetic to Labor's ethos and political agenda.

Policy Committees should also be resourced by Head Office to initiate their own forums with a program of speakers. It is recommended that all Policy Committees be asked to run three policy forums bi-annually: one in the metropolitan area, one in an outer suburban area and the third in a regional centre. The Agenda Committee would be responsible for overseeing this program of policy forums to ensure effective coverage across the State. On line discussions amongst members with a particular policy interest should also be encouraged so that ideas can be fleshed out and fed into Policy Committees. To work effectively, these processes would need to be resourced by a Policy Officer based at Head Office.

There is also considerable merit in bringing forward the process for finalising the party Platform so that it is completed by the end of 2013. This would give the Party all of 2014 to refine the more detailed policies to be put to the electorate during the election campaign. As part of this process, the State Parliamentary Labor Party should initiate a 'Labor Listens' program in communities across the State to receive feedback and ideas from the community that can contribute to the ALP's policy development processes.

Consideration of policy also needs to be given a higher priority at State Conference. Often Urgency Resolutions are given precedence on the floor of the Conference in prime time at the expense of Policy Committee reports. Urgency Resolutions are not binding, nor do they become policy; they are merely expressions of opinion. They should therefore be treated as lower priorities to Policy Committee reports and debates. The Party Rules should be amended accordingly.

The ALP has experimented with substantially increasing the number of delegates eligible to attend State Conference in recent years. In total, an additional 150 delegates have been added to Conference. However, the evidence suggests that this has not improved participation and attendance, with key agenda items at Conference being abandoned for want of a quorum on a number of occasions. The size of State Conference needs to be reviewed, along with the Party rules that govern attendance and continuing delegate entitlements in the light of frequent absences and lack of quorums.

Many of these issues and ideas have been raised in other Reviews. Although they may not all work, they are worthy of further examination. The ALP should look at trialling such initiatives to see if they are feasible and worth proceeding with on a permanent basis.

RECOMMENDATIONS:

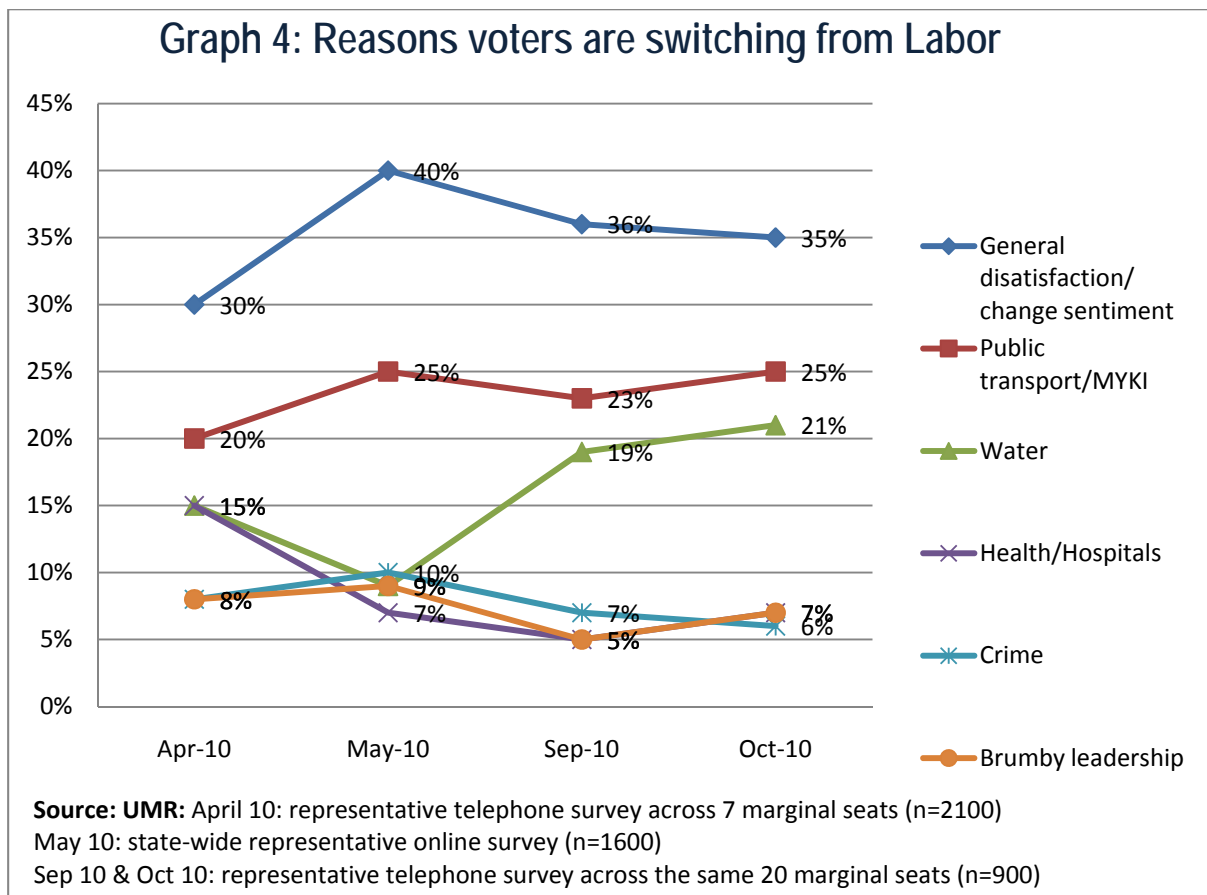
- 4. That the State Parliamentary Labor Party initiate a 'Labor Listens' program in communities across the State to receive feedback and ideas from the community that can contribute to the ALP's policy development processes.**
- 5. That the process for development of the next ALP Platform be improved by implementing the recommendations of the National Review, including:**
 - A Central 'Policy Branch' to hold regular meetings to debate major policy issues and provide a forum for all ALP members to participate.**
 - Policy Committees to better utilise experts in their fields to produce substantive, well developed policy ideas.**
 - Policy Committees to be supported to incorporate into their consultative arrangements workshops and roundtables with key community organisations, academics and researchers working in areas of policy innovation.**
- 6. That the timetable for development of the next Platform be amended to ensure that the final document is adopted in October 2013 - 12 months out from the election - rather than in May 2014 as has become the pattern in recent cycles.**
- 7. That State Conference determine the size of Policy Committees within a range of 15 to 30 members, along with the number of SPLP delegates. This would be additional to the Shadow Minister(s) included on the Committee.**
- 8. That State Conference consider the number required for a quorum in any change to the size of Policy Committees. To ensure continuity in the Committee's work, State Conference elected Committee members should only be able to proxy Associate Policy Committee members and SPLP delegates should be able to proxy to other MP's.**
- 9. That all Policy Committees be asked to run three policy forums bi-annually: one in the metropolitan area, one in an outer suburban area and the third in a regional centre. The Agenda Committee to be given responsibility for overseeing this program of policy forums to ensure effective coverage across the State.**
- 10. That ALP Head Office employ a Policy Co-ordinator to:**
 - Assist with the development of a contacts database for each Policy Committee.**
 - Identify research and people with expertise that may inform the work of Policy Committees.**
 - Assist with the organisation and promotion of Policy forums.**
 - Oversee a trial of an on-line 'wiki' intranet approach to policy development that allows Policy Committees to communicate and develop ideas outside of their monthly meetings.**
 - Explore ways in which new technology can aid the input of Party members, especially rural and regional members into Policy Committee deliberations.**

- 11. That Shadow Ministers work with the Policy Co-ordinator and Policy Committees to develop the annual work plan of each Committee.**
- 12. That the State Parliamentary Labor Party ensure the election of delegates to each Policy Committee in accordance with the number of positions allocated to the State Parliamentary Caucus. That the Leader of the State Parliamentary Party require MP's to fulfil their Policy Committee obligations.**
- 13. That ALP Rules be amended to include the current criteria used by the Agenda Committee to assess Urgency Resolutions for inclusion on State Conference Agenda. Further that the Rules be amended to ensure that the recommendations of the Agenda Committee regarding Urgency Resolutions can only be varied by an absolute majority of delegates eligible to attend State Conference. That further measures to ensure the supremacy of Policy Committee reports and debates over Urgency Resolutions be actively considered.**
- 14. That the ALP reviews the size of State Conference and address issues such as absenteeism and quorums to improve Conference attendance and participation.**
- 15. That the final Platform document be made available on line to all members.**

THE ISSUES THAT HURT LABOR

Since the election there has been a lot of speculation as to why Labor lost. Fingers pointed to the “time for a change” factor, whilst commentators observing our decimation in the sand belt referred to the “Frankston train wreck.” As part of the Review, it is important to examine the issues that hurt Labor in this election and why. Some of these issues have already been canvassed in the section on the lead up to the State election, including the pressures of population growth, health, water and community safety. This section examines in more depth a couple of issues that clearly caused voters to switch their votes from Labor to the Coalition; the time for a change factor, public transport and the cost of living.

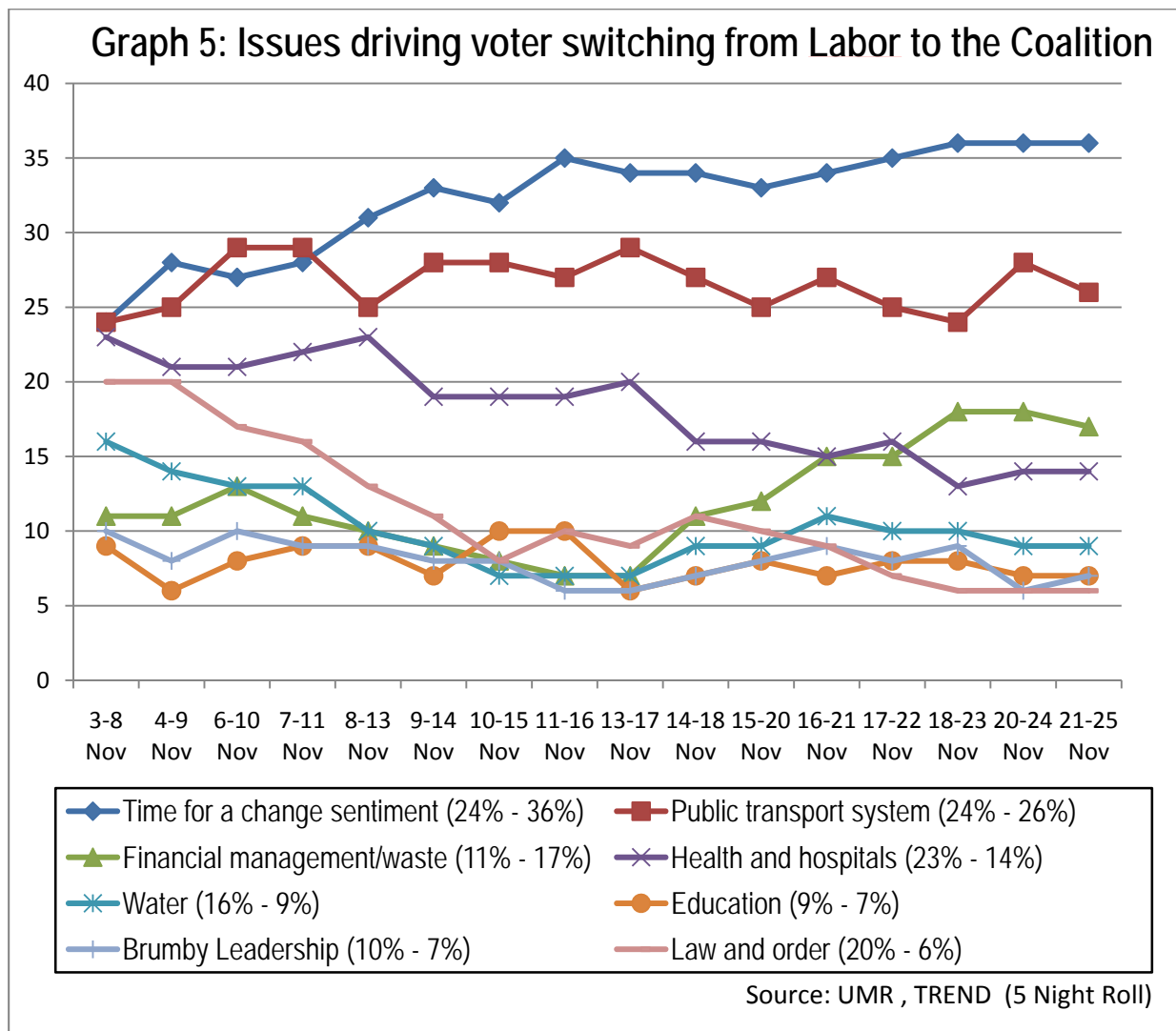
The issues that were hurting Labor in the lead up to the State election show a remarkable consistency. In Labor’s quantitative research in April, May, September and October voters gave the following reasons for switching their votes away from Labor to other parties:



During the election campaign the same top major issues continued to drive vote switching from Labor to the Coalition, although some declined in importance whilst others came to the fore in the minds of voters. Health and law and order declined significantly as vote switching issues during the campaign.

However the issue of financial management and waste, symbolised by MYKI, increasingly drove voters away from Labor. This reflected the success of the Coalition in making this

issue a centrepiece of their narrative as well as linking it in voter’s minds to increases in the cost of living through costly projects such as the desalination plant, (water) smart meters, (electricity) and increases in State government taxes and charges (eg stamp duty).



Time For A Change

The “time for a change” factor was the most important driver for voters to switch their votes from Labor to other parties. Some within the Party have attached inevitability to this sentiment; that after 11 years voters were tired of Labor and wanted to give the other mob a go. According to this theory, the defeat was a natural part of the political cycle where the wheel inexorably turns. This cycle eventually cannot be avoided. However, whilst there is no doubt a lot of truth in this argument, there is no compelling reason as to why this had to be the case on this occasion. A fatalistic approach to the election outcome can also excuse a deeper analysis of Labor’s failure to win a fourth term. In the last decade, Labor governments in Tasmania, NSW and Queensland have all been elected four times.

Sitting behind the time for a change factor were deep misgivings about the performance of the State government, including a sense that in some areas there was a gap between its rhetoric and its performance, that it had not lived up to all its promises, and that it was becoming arrogant and out of touch. This voter sentiment is frustrating for some who felt that the government was competent, diligent, hard working and acting on many problem areas with record investments in new services and infrastructure. However, in coming to terms with the defeat, Labor must accept that there was a gap between our rhetoric and reality for many people. Yes, Labor was making substantial investments in the services people needed, but we were unable to keep up with the demands created by Victoria's rapid population growth over the past decade.

Public Transport

The "time for a change" factor also reflects Labor's difficulty in handling key service issues associated with this growth. The most significant of these is the public transport system. Having managed steady growth in public transport usage in its first two terms in government, patronage growth, particularly on trains grew exponentially from 2004-05 onwards. In five years annual patronage on metropolitan trains grew by 74.2 million, on trams by 30.3 million, buses by 12.1 million and total metropolitan patronage grew by 116.6 million to almost 500 million passenger trips.

In many ways rising public transport patronage was a sign of government success. Immigration to Victoria was at an historic high, public transport services had improved, new jobs in a globalised economy were generated in the CBD and residents were flocking back into inner and middle Melbourne where they enjoyed a dense network of public transport alternatives. Rising petrol prices, the cost of parking in the CBD and growing congestion on the roads all contributed to rising public transport use.

No one had predicted the extent of this leap in public transport usage, but it certainly proved costly. Labor's first term was preoccupied with the promised Regional Fast Rail project and the redevelopment of Spencer Street Railway Station into Southern Cross. Labor's second term was overtaken with the collapse of the Kennett franchise agreements, which were based on wildly unrealistic assumptions about cost savings, productivity and revenue and resulted in the exit of M Trains, which faced bankruptcy. The Bracks government was forced to inject an additional \$1 billion over 4 years and renegotiate the franchise agreements to keep the system operational.

Various Transport Plans were developed, but the government was too slow to inject the capital that was needed to transform ageing infrastructure and add capacity to a system under significant strain. It was only in its last term that the government embarked on a massive investment program in the metropolitan transport network through the Victorian Transport Plan. To put this in context, when Labor came to power in 1999, the public transport infrastructure program by the previous government was only \$61 million per annum. In the three years to 2005-06 it averaged around \$500m and in the last term of government it climbed from around \$900m to \$1.8 billion per annum in 2009-10. With Commonwealth contributions to projects such as the Western Regional Rail Link, \$5 billion was committed to public transport infrastructure in the government's last year in office.

However, public transport projects of this magnitude have a five to ten year lead time and came too late to see quantum improvements in system performance. New train services were added to a system groaning under the crush of double digit annual growth in train usage. At one point the government simply did not have enough trains to run every peak hour service in the event of mechanical failure, maintenance requirements or vandalism, leading to inevitable peak hour cancellations and chronic overcrowding.

Of the 38 new trains ordered by the Brumby government in 2008 and 2009, 24 of them will still be under construction and finding their way onto the system in the first two years of the Baillieu government. The growth in public transport usage is one of the success stories of the Labor government, but its inability to anticipate the magnitude of growth and make timely investments contributed significantly to its downfall.

Labor's internal polling consistently showed that public transport was a vote switching issue for 25% or more voters who were shifting their support from Labor to the Coalition. Public transport was a bigger vote switching issue than health and hospitals, water, law and order, education and financial management/waste. Service shortcomings coupled with concerns about safety on trains, the MYKI cost blow out and chronic implementation problems created a perfect storm for the Coalition and turned public transport into a toxic issue for Labor.

Scratch tickets and rail and tram strikes aside, the 2010 Victorian State election is perhaps the first in the last 60 years to be so strongly influenced by issues of public transport investment. Labor's own post election study showed that for voters with no party identification, 67% stated that the service on Melbourne's train lines was important in deciding their vote, second only to increases in household bills for water and electricity, (68%) and ahead of the need to send Labor a wake up call (58%) and that it was time for a change, (55%).

Given this, it is remarkable the extent to which this is an issue of contention in Labor ranks. The conventional wisdom is that regular public transport users are a 12% minority and that most people who complain about public transport never use it. However, chronic problems plagued the system and contributed significantly to difficulties in the lives of commuters on a daily basis struggling to get to and from work. For those who consistently use public transport, it is a very important part of their day and affects their capacity to meet regular work and family commitments. Coupled with a belief that the system was unsafe and that Labor had wasted money on MYKI, the Coalition had the perfect recipe to feed voter disenchantment. It almost certainly contributed to the loss of all four marginal sand belt seats on the Frankston line, which in the 18 months leading up to the State election, had the worst on time running performance of any line on the metropolitan rail system.

Cost of Living

Although not explicitly highlighted in Labor's polling, researchers have made it clear to the Review that the rising cost of living was of increasing concern to the community and emerged in Labor's focus group research. The cost of living became a vote switching issue against Labor where it was linked in voter's minds to perceived waste and mismanagement by the government in areas such as electricity and water.

Mounting cost of living pressures started to bite with the Victorian electorate in 2009. Victorians faced a range of steep price increases for electricity, gas, water, housing, home lending and local government rates.

The rising cost of housing in Victoria was being driven by a high immigration rate, low levels of housing construction, the rising cost of land and the time taken to bring new releases of land to the market.

Between January 2005 and January 2011 rents escalated as the vacancy rate for residential rental properties remained below 3%. Based on figures published by the Victorian government's Office of Housing, the median rent for a three bedroom house increased by 43.5% in the five years to January 2010, compared to 21.1% between 2000 and 2005. Likewise, the median rent for a two bedroom unit increased by 54.5%, compared to 25.7% between 2000 and 2005.

Home purchasers also faced steep increases in housing costs. Based on data collected by the Real Estate Institute of Victoria, between December 2005 and December 2010 the median house price rose from \$371,000 to \$601,500 or 62.1%, in Metropolitan Melbourne. For units and apartments, median prices increased from \$305,000 to \$480,000, an increase of 57.4%. Over the period March 2009 to December 2010 the increase in median house prices is even more dramatic, rising from \$405,000 to \$601,500, an increase of 48.4% over a 21 month period. In the June quarter of 2010, land prices in growth areas rose a record \$149 a day or more than \$1,000 a week according to data compiled by the Oliver Hume Real Estate Group.

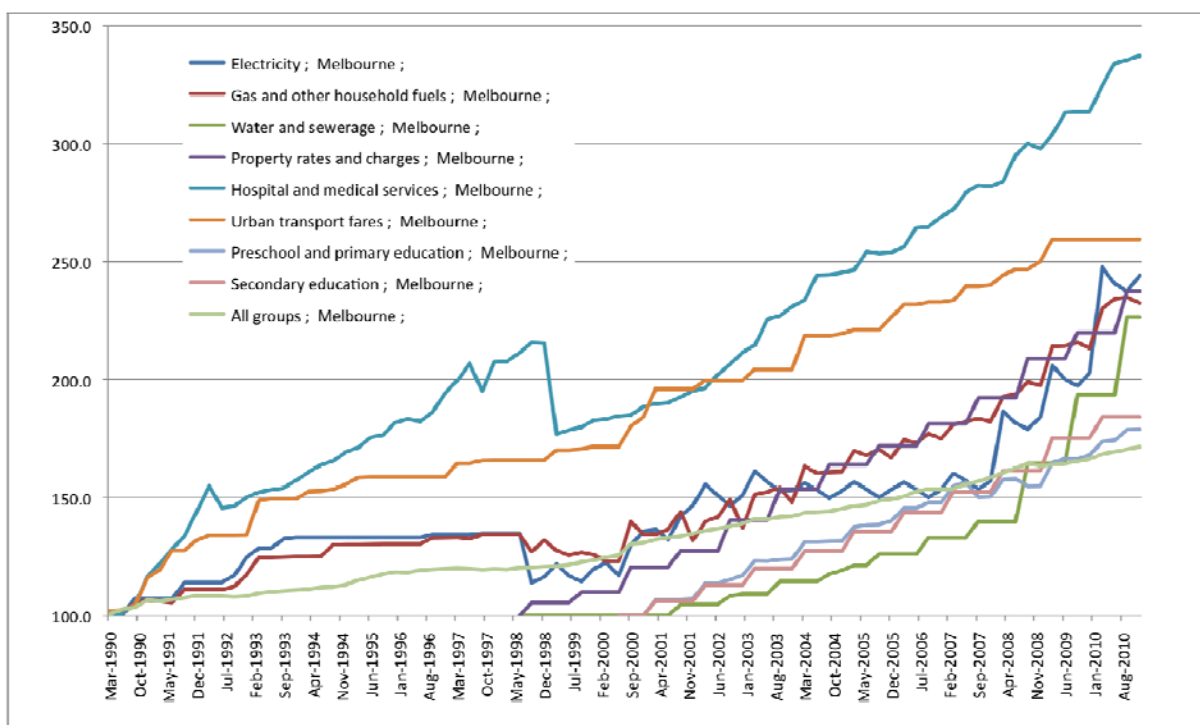
After a period of low interest rates in response to the Global Financial Crisis, the Reserve Bank started increasing the cash rate in February 2009 in response to emerging inflationary pressures. Between February 2009 and 3rd November 2010 the official cash rate increased by 175 basis points. Throughout this period the big four banks, claiming increased financing costs, have increased their mortgage lending rates by up to 50 basis points more than the rise in the official cash rate over this period

Consumers were also being hit by cost increases on a number of other fronts. According to the Australian Bureau of Statistics, between March 2008 and December 2010 the cost of electricity surged by 52.8%, gas by 22%, water and sewerage by 52.3%, local government rates by 22% and the costs of education, (public, private and independent schools) by 19.6% in Melbourne.

In an environment where core items in the family budget were rising in cost, those areas where the State government is seen to have some responsibility hurt the Brumby government. For a typical household with an annual electricity bill of \$2,000, a gas bill of \$1,000 and a water and sewerage bill of \$1,000, their household bills increased cumulatively by \$2,093 or 52.3%.

The increased cost burden under a Labor government became a central plank of the Coalition’s campaign narrative. Where voters perceived that the government had wasted money on big projects such as the desalination plant, or imposed unnecessary extra cost burdens on households such as smart meters, they punished the government.

Graph 6: Increases in Cost of Living for Essential Services-1990-2010



OTHER ISSUES THAT HURT LABOR

In the two years leading up to the election the Brumby government also pursued policy solutions in a number of areas that ended up politically hurting the government. This included energy regulation and pricing reform, the extension of clearways and reforms to TAFE.

Energy Regulation and Reform

In 2008 the Brumby Government removed the reserve power of the Energy Minister to regulate retail prices for small electricity and gas consumers. Prior to this, the government negotiated a standard retail tariff for electricity with the major electricity retailers. This standing offer was available to all consumers, although they were also free to move away from it and enter into market based contracts.

The Minister's reserve power was never used, but it served to remind the energy retailers that if a reasonable price path was not negotiated, it could be. The Department of Energy was able to give consideration to the long term viability of the industry and also take into account the impact on consumers of a possible rise in retail prices. The Department engaged energy retailers in discussions on a price path. If no agreement could be reached the Minister became directly involved in the negotiations. The end result was that a reasonable, middle course was usually struck.

This process was successfully used by the Bracks government in 2003/04 in negotiating a four year price path agreement with electricity and gas retailers. The growth in gas and electricity prices was kept low and allowed the government to go to the 2006 election with a solid record of price constraint.

However, the Victorian government was also caught up in COAG discussions about the national energy market, where power was steadily being shifted to the Australian Energy Regulator. The assumption that Australia was moving to a fully competitive energy market was erroneous. In fact, the Victorian market is the only de-regulated and fully privatised market in Australia. It is noteworthy that the South Australian government has not abolished its reserve power. It was also assumed that because Victoria had a competitive market, there would be no need for the reserve power.

The reserve power of the Minister gave consumers some comfort that price changes were reasonable and government was an advocate for consumers. The removal of the price determination power, coupled with an escalation in energy prices left the impression that the government was no longer willing to intervene as a defender of working people.

In addition, the Advanced Metering Infrastructure or Smart Meter Project was adopted in principle in the lead up to the 2006 election as part of a COAG decision. Smart meters were proposed as a means by which consumers could access cheaper power off peak and also reduce their electricity consumption. However, the government struggled to explain the benefits of smart meters to consumers and they were increasingly seen as major cost saving to electricity companies. In an election year Labor was simply not able to counter the line that with smart meters, Labor was imposing unnecessary costs with few benefits.

Extension of Clearway Times

In 2008 the Brumby government announced that clearways within a 10 kilometre radius of the Melbourne CBD would have their designated times extended to 6.30am to 10am and 4pm to 7pm, (and to 3pm within 100 metres of major intersections). This announcement was made without consultation with Councils or traders. It angered many local traders and galvanised the four inner city Councils of Stonnington, Boroondara, Yarra and Moreland to run a highly co-ordinated two year campaign against the government.

Councils argued that the extension of clearways would have a significant impact on the livelihoods of traders and only bring marginal reductions in commuter travel times. It was contended that 30 inner city suburban activity centres accommodating 7,500 individual small businesses employing around 30,000 people were adversely affected by the policy change. The government was not able to effectively counter this argument. A number of inner city candidates, notably the Member for Prahran, were targeted in a high profile campaign by traders. The government's intransigence on the issue was seen as evidence that Labor was not sympathetic to the real concerns of small business. One of the first actions of the incoming Baillieu government was to overturn these clearway extensions.

TAFE Reforms

A centrepiece of Labor's 2006 election platform was a pledge to increase vocational education and training opportunities. Labor's first television advertisement of 2006 embraced a commitment to build technical wings in government schools, with Steve Bracks asserting that "we understand not everyone wants to go to University. That is why we are investing in TAFE places and technical schools." This approach was also used by Federal Labor as recently as 2010, indicating that it resonated with Labor's base as well as swinging voters. A core strength of Labor was that it had significantly increased recurrent TAFE funding compared to the Liberal government. This also tied in well with the Baillieu Knight Frank advertisement about the sale of government schools under the Kennett government.

The government's advertising campaign was backed up by an impressive \$241 million Skills Statement which included a new Skills Accounts Policy. Under the policy, the government contributed \$800 per year for up to four years into an apprentice's Skills Account, effectively abolishing up front TAFE fees for 60,000 apprentices who commenced training each year. The package also included the construction of new Technical Education Centres, the

creation of 13 new Skills Stores to streamline access to training, extra pre-apprenticeships in areas of skills shortages and incentives for existing workers to update their skills.

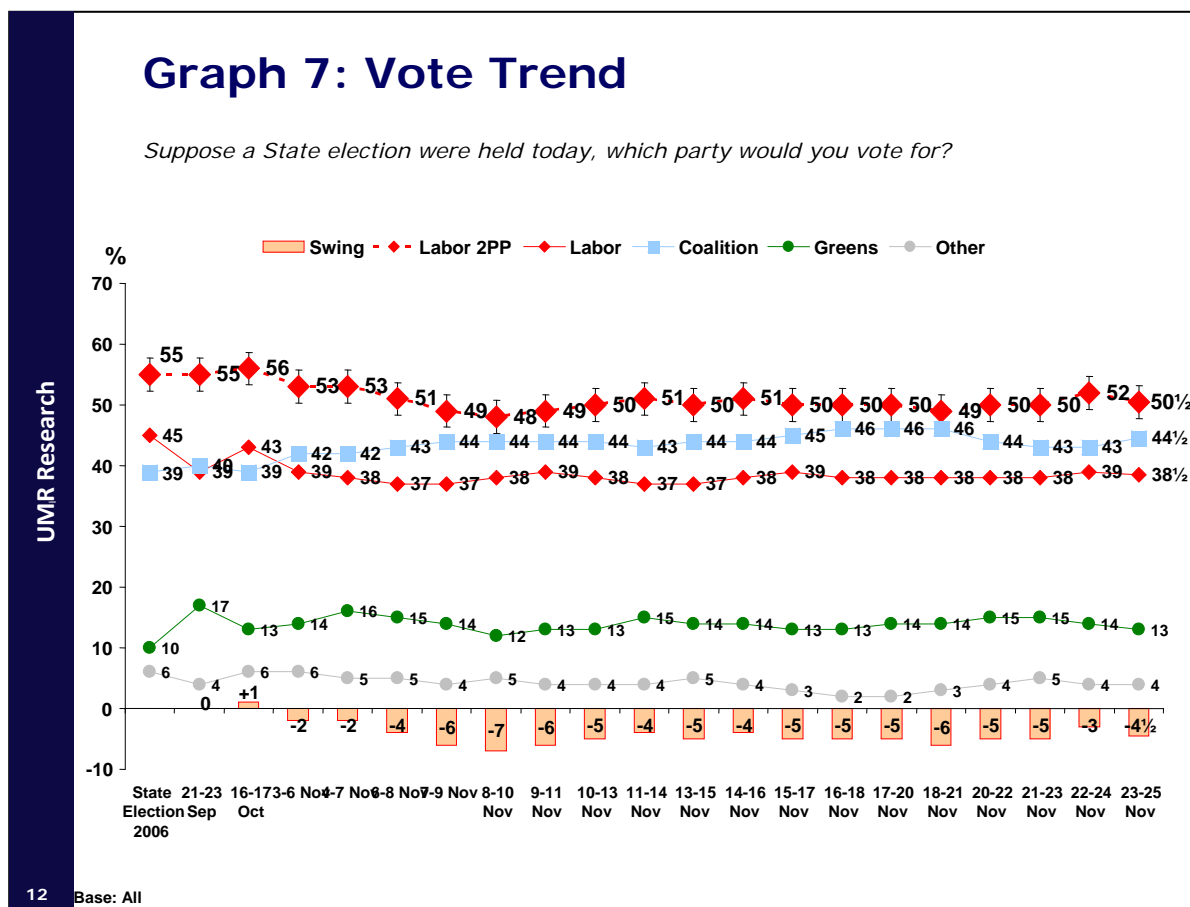
In 2008 the Brumby government announced a major expansion in vocational training places, (172,000 over 4 years), to be funded in part by increases in fees for TAFE students. Labor's reforms included the implementation of a HECS style loan system to students studying diploma and advanced diploma qualifications. However, the reform saw TAFE fees for thousands of low income students leap from \$887 to \$2,000, then rising to \$2,500 in 2012, a massive increase. This was seen as a major barrier to participation in vocational training and described by the Australian Education Union as a quasi "privatisation" of TAFE places. The fees saw a subsequent drop in enrolments for a number of TAFE courses. The government was forced to ameliorate the worst impacts of the policy on some students, but did not reverse its fundamental intent.

The concerted campaign against fees on TAFE campuses and amongst students saw the Liberal Party promise their abolition. The negative response to Labor's policy by traditional supporters meant that Labor did not have the same appeal in 2010 in an area of Labor strength in 2006. Instead it became a running sore that blunted Labor's positive education and training narrative in the election campaign.

OTHER CAMPAIGN ASPECTS

The Last Week

One of the most striking themes of this Review has been the number of contributors who lamented Labor's last week of the election campaign. At the beginning of the final week our internal polling had Labor with its nose in front, peaking with a two party preferred vote of 52/48 on the Wednesday night. However, at the election, Labor only recorded a two party preferred vote of 48.4%.



Labor ran a conventional election campaign; releasing all its policy initiatives in the first three weeks and spending the last week reiterating its main messages and commitments. Labor was also constrained by its commitment to the Treasury process, which required it to have all its policies in for final fiscal analysis by Monday of the final week. However, the Opposition did not follow political orthodoxy, nor comply with Treasury's costing requirements.

This gave the Coalition considerable flexibility and allowed them to put before the electorate a costly package to assist households with cost of living pressures. In the last week the Coalition pledged almost \$1.6 billion to cut stamp duty by 50% for first home buyers, provide a year round energy concession for pensioners and concession cardholders and halve the cost of ambulance subscriptions. The Coalition also promised to lift the ban on identifying the location of speed cameras. These initiatives gave the Coalition significant momentum in the last week of the campaign. Labor had promised more modest stamp duty cuts in regional centres for all newly built first homes and an extension of winter energy concessions to the three months of summer.

Labor considered countering these Liberal initiatives with new commitments of its own, but was defeated by the fiscal framework it had created. Labor took a responsible approach to Budget management and was determined to keep the focus on infrastructure investment, service delivery and generating jobs. However, Labor's inability to present any other new cut through policies in the final week of the campaign made the government look tired and out of touch. At the very least, it left Labor's campaign flat footed and allowed a more nimble Coalition to seize the initiative. It is also true that if Labor had announced two or three more memorable policy initiatives in the first three weeks of the election, it would have been able to re-iterate them with voters in the last week of the campaign.

Labor spent a lot of the campaign pointing out that the Liberals were announcing policy by press release. There were no detailed policy documents, no overall Budget reconciliation and no detailed analysis of costs. Labor relied heavily on the cost of the Coalition's policies unravelling in the final few days. Labor believed that the Coalition would not be elected unless it met basic standards of fiscal responsibility. The Liberal's election costings were chronically short on detail and contained significant errors, but they were met with mild indifference by the media, who still believed Labor would win. Labor's efforts to create a contest around fiscal responsibility and competence to govern gained virtually no traction with the media and therefore the public.

Those at the core of Labor's campaign also point to the cessation of TV advertising on the final Wednesday night as a reason for the ALP's late drop in support. Labor's Track of the two party preferred vote peaked at 52/48 on the Wednesday night before dropping back to 50.5% in the final Track of 23-25 November and 49.3% in the 20 targeted seats on election day. This suggests that Labor's vote returned to its long term trend after Labor's TV commercials were no longer on air to suppress the Coalition's vote. Labor's negative advertising campaign had an impact on voters but not a lasting one. If true it calls into question Labor's decision to run its most effective ad for a very limited period.

It also highlights the brittle nature of Labor's support because we had not built and cemented our story in the minds of the public. Clearly, if voters had accepted the core propositions that Labor had advanced during the campaign, they would not dissipate because they were no longer reminded of them through electronic advertising.

The reason why Labor's support fell away is because it didn't have a strong enough story and it didn't tell that story well enough.

UMR Research

Table 4: Labor's Election Track-Survey to Actual

	Labor	Coalition	Greens	Other	Labor 2PP
Reported Results 23-25 Nov (N04-N02 across the 20 seats)	38.5%	44.5%	13%	4%	50.5%
Results State Election 27 November 2010 (20 seats)	37.8%	44.8%	10.2%	7.2%	49.3%
DIFFERENCE	-1%	0%	-3%	+3%	-1%

5 State election results based on Anthony Green's post-election pendulum

There are a number of conclusions that can be drawn from Labor's election Track.

First, the election was always going to be extremely tight. After week one Labor's two party preferred vote generally hovered between 51% and 49% for the rest of the campaign. No major fluctuations occurred. The 52% level of support for Labor on 22-24 November is an aberration, although it may have been reached as a result of Labor's final advertising blitz.

Secondly, the intended primary vote for the Greens is consistently inflated in our internal polling, (and indeed in other published polls), by 3-4%. This is because voters who do not intend to vote Labor or Liberal, when confronted with a choice of "the Greens" or "other" political parties plump for the Greens. However, when voters are presented with actual alternative candidates on election day, they tend to shift their vote away from the Greens to other political parties, particularly minor parties. The Greens vote as reflected in opinion polls is therefore an ephemeral, fragile vote which overstates their actual electoral strength. This is reflected in Labor's Track where the final Green vote dropped by 2.8% and the final vote for other parties and independents increased by 3.2%.

Thirdly, the inflated Greens vote inflates Labor's actual two party preferred vote. For whilst Greens voters will give their second preference to Labor in 75% to 80% of cases, those who vote for other minor political parties or independents deliver a preference flow to Labor as low as 45%. This can reduce Labor's two party preferred vote by as much as 1%. It is therefore not surprising that in Table 4 Labor's two party preferred poll vote is 1.2% above Labor's actual election day result, even allowing for a 0.7% difference in Labor's projected primary vote as against the actual primary vote.

Fourth, the fluctuations that did occur were all well within the margin of error (plus or minus 2.7%), when compared to Labor's final election result. Any interpretation of the Track polling should be that Labor could just as easily be trailing as in front. At the very least the election was line ball. This was true for the vast majority of the campaign where once the election was called, the polls tightened.

This would suggest that contrary to media opinion and the views of some commentators, Labor was in a political dog fight from the beginning. It was not six lengths in front only to be mown down in the straight. Rather it was neck and neck, all the way to the post. This raises questions as to why Labor ran a conservative campaign, rather than one where it needed to take risks to win.

The Media

The media have a critical role to play in communicating political ideas and issues to the public. They also set the frame for political debate. Increasingly the media not only decide what news is and report it, they have become instant commentators on the political stories they are covering and become the news themselves. The 24 hour news cycle has created a relentless beast that must be fed.

Throughout 2009-10 Labor was experiencing a number of problems with the media. First most of the media did not believe that Labor could lose. Consequently, the media heavily scrutinised the government's performance and policies, but took a more relaxed attitude towards the Opposition. Secondly, the media were bored with Labor in government. After 11 years in government exciting the media with new initiatives proved to be a difficult task.

There was a significant lack of scrutiny of the Opposition and some evidence of media bias. This made it difficult for Labor to make the election a real contest. The media largely ignored the shortcomings of the Opposition. This included a failure to critique their lack of detailed written policies which instead came in the form of media releases, their refusal to submit costings to Treasury and final costings undertaken by a Liberal Party supporting suburban solicitor.

Their three page summary of their election commitments *"contained basic errors and was nothing short of a joke:*

- *No funding for their commitment to match Labor and build the Monash Children's Centre;*
- *\$1.4 billion in savings, without any real detail about how this monumental target would be achieved;*
- *A promise to cut power prices but no detail on how they would pay the \$500 per year per household for 20 years to underground powerlines in bush fire risk areas; and*
- *A promise of five rail extensions that turned out to be funding for studies only.....*

Our mistake was to think that these sorts of mistakes by the Liberals would cut through and dominate the final days of the campaign, like they had done in 2006 and 2002. The costings error did get a run but the news cycle moved on quickly."

(Nick Reece, ALP State Secretary).

All six major newspapers in Melbourne editorialised for a return of the Brumby Labor government. However, their unshakeable belief that Labor would win resulted in a high level of scrutiny of the government and a lack of detailed scrutiny of the Opposition.

Evidence of media bias, particularly in the print media, can be found in an analysis of the front pages of the major daily newspapers through the election campaign. Bias is often said to be in the eye of the beholder and can take many forms. The analysis conducted by this Review does not pretend to be a sophisticated page by page, line by line analysis of the

coverage given to State politics in the campaign. However, front page stories are what often catch the attention of the public. Their prominence often reflects the importance that a newspaper gives to issues in an election campaign where equal weight and scrutiny should be given to both contenders for political office.

The test applied by the Review was how front page stories were likely to make the reader feel about the government or the Opposition. They were then rated as positive, negative or neutral front pages. Stories unrelated to politics or covering poll results were rated as neutral front pages.

This produced the following results:

Table 5: Front Page Coverage in the Melbourne Metropolitan Daily Newspapers October 27 th – November 27 th November 2010			
The Herald Sun and The Sunday Herald Sun			
Party	Positive	Negative	Neutral
Labor	2	8	20
Liberal/Nationals	2	1	20
The Age and The Sunday Age			
Labor	4	11	14
Liberal/Nationals	3	0	14

Note: The Herald Sun had two front pages, including a wrap around, on Cup Day.

This analysis shows that State politics was mostly not covered on the front page of the two daily newspapers during the course of the election campaign. However, when it was covered, the Labor government received much more negative coverage than the Opposition. Labor was the subject of nineteen negative front pages and the Liberal/National Coalition only one; a story in The Herald Sun relating to Green preferences. Both Labor and the Liberal/National Coalition received roughly equal positive coverage, but this was dwarfed by the negative stories connected to Labor.

Whilst some of Labor’s negative coverage related to government administration, and reflected the difficulties of 11 years in power, (for example, *“You Pay Cop for Nine Years to Do Nothing,”*) such stories were still damaging to the ALP. Moreover, the almost complete absence of critical Coalition coverage indicates not only the success of the Opposition’s small target strategy but the unwillingness of the print media to critically scrutinise their policies and performance.

In the opinion of George Svigos, Labor's Media Director, the commercial television stations were more even handed in their coverage but also strongest in refusing to believe the Coalition could win. This translated into virtually no scrutiny of the Opposition. ABC TV News and Stateline essentially mirrored the Age in their negativity towards the government and their unquestioning acceptance of the Opposition.

Having said that, the analysis of all key Labor campaign insiders was that the ALP won the TV battle on most nights in the campaign, but were let down by newspaper coverage. However, although the coverage of the election by the print media is of concern, any evidence of media bias is not to be seen as the determining factor in the election result. Research on the media and the Victorian State election is currently being conducted by the Melbourne University Centre for the Advanced Study of Journalism and should be analysed by the ALP when it becomes available later this year.

This Review did not analyse the impact of social media in the State election. This is clearly a newly emerging area of political communication, but the Review was not in a position to comment on its effectiveness. Research has been recently undertaken on the 2010 Federal election by the Australian Centre for Public Communication at the University of Technology, Sydney. This and other research in the area needs to be analysed by the ALP before deciding what further use can be made of social media for campaigning purposes.

CAMPAIGN LOGISTICS

Election campaigns are massive logistical efforts. It involves millions of direct mail letters, tens of thousands of phone calls and emails, the co-ordination of 1,735 TV ads across Victoria together with regional TV advertisements. Compared to 2006 where problems with Labor's direct mail campaign emerged, in 2010 nothing went horribly wrong and there were no major hiccups. The campaign and team structures worked well and day to day operations of the campaign worked in a professional way. Information was shared, genuine debate occurred on strategic decisions. When decisions were made they were then executed in an effective way by the various staff and teams. However, there are a number of aspects of Labor's campaign that bear examination.

The Direct Mail Campaign

A number of contributors, particularly candidates have raised questions about the quality of Labor's direct mail campaign. Several submissions described the direct mail offerings as wordy and uninspiring. This can be attributed to a number of factors including poor use of research, a lack of exciting new policy ideas and poorly executed text. There was also commentary on Opposition material noting that they made better use of layout and presentation to draw the attention of voters to core messages. Labor needs to analyse further the effectiveness of direct mail campaigns, review the quality of its direct mail, and conduct more research on what is likely to catch the attention of voters.

Concerns were also raised about the cumbersome operations of the ALP Compliance Unit. The Unit was set up to ensure that all local media releases and campaign materials were accurate and consistent with Labor's policies and costings for election initiatives. However, the Compliance Unit became a major choke point for a number of local campaigns. In several instances direct mail letters took more than a week to be returned, mainly with superficial changes, (eg "a re-elected Brumby Labor Government" was changed to "a future Brumby Labor Government."). This meant that several campaigns were playing catch up with the Liberal Party on local announcements and in several instances direct mail did not arrive until the Friday night before the election.

Local Campaign Announcements

Local campaigns also experienced a number of problems due to the slow footed way that a number of election commitments were announced. For example, local campaigns were hamstrung in making local sports facility announcements because they could not be made before the Minister had released the state-wide policy. In some key marginal sets, this was followed by delays in finding a suitable Minister to come and make local announcements.

As a consequence announcements were made very late in the campaign. This made it very difficult to disseminate these commitments to the electorate. In a short and intense campaign period, it would have been far better to make local announcements in advance of the policy launch.

During the campaign there was also several announcements in key sand belt seats made very late in the campaign, including the decision to fully fund a railway station at Southland. Local campaigns had only ten days to disseminate information about this \$45 million commitment before election day. A \$6.4 million commitment to upgrade a major bus route in the seat of Bentleigh was made by Ministerial media release without any notice to the local campaign. Again, the local campaign struggled to disseminate information on this election commitment in the last 10 days of the campaign.

Support for Local Candidates

The Labor marginal seats group were largely a group of experienced campaigners who had previously fought successful election campaigns in 2002 and 2006. They also received strong direction and support from the Marginal Seats Group and ALP Head Office. However, as a result of a significant number of retirements over the course of its third term Labor had a number of new members in Labor held seats in the Legislative Assembly and the Legislative Council as well candidates in Coalition held seats. A number of these candidates submitted that they would have benefited from more Head Office training and support prior to the campaign period. The role of Upper House candidates in election campaigns also requires further examination.

Consideration should be given to the preparation of campaign information packs and materials well in advance of the election especially for Coalition held seats that are not targeted as key marginal seats. With the election date set much of the material such as templates can all be prepared well before the campaign period, reducing the pressure on Head Office during the campaign itself.

Training of candidates and members should be considered a central role for Head Office. The earlier this training can be held the better, with campaigners in the field for a longer period. This includes the production of a candidate manual to be given to candidates as soon as they are pre-selected.

RECOMMENDATION:

16. That ALP Head Office conduct a formal training and information program for candidates and their Campaign Committees early in the lead up to the next State election.

17. That the ALP conduct more research into the most effective ways to communicate Labor's message, taking into account contemporary research and the latest methods used in other jurisdictions and overseas.

Kilsyth Pre-Selection Primary

One of the new features of Labor's candidate pre-selection process was the decision to hold a 'primary' to select Labor's candidate for Kilsyth in April 2010. Based on the US primary system, it provided an opportunity for non party members who supported the ALP to register and vote for Labor candidates in the Kilsyth pre-selection.

The Kilsyth Primary was an innovative attempt to engage the community in the pre-selection of local candidates, and is the first time that this has occurred in Victoria. The objectives were to build greater community participation in the ALP and use this as a springboard to attract new members. A further goal was to improve Labor's electoral performance by being receptive to community input in choosing a candidate.

Considerable effort was put into the Kilsyth Primary. ALP Head Office sent a letter and brochure with candidate information to 40,627 voters on the Kilsyth electoral roll inviting them to register and participate in the pre-selection. A website dedicated to the Kilsyth Primary was established and advertisements inviting registration appeared in two local newspapers. Candidates held street stalls in shopping centres and at train stations to encourage registration and sent individual letters seeking support to registered voters. A forum was held with the candidates attended by around 150 ALP members and registered supporters. A TV segment on the Kilsyth Primary appeared on the ABC's Stateline the night before voting commenced. The whole process took place over a four week period.

Of the 270 people who registered to vote in the primary, 136 voted in the pre-selection, along with 44 existing members of the ALP in the Kilsyth electorate. The Kilsyth Primary did encourage a greater level of engagement in the ALP's pre-selection process; however it did not translate into increased party membership or improved electoral performance. In the six months since the ballot, there has been no evidence of any increase in local party membership. In addition, the two party preferred swing against Labor in Kilsyth was 10.1%, (although some of this can be attributed to the benefits of first term incumbency for the Liberal member), compared to the swing against Labor in metropolitan Melbourne of 7.61%. The swing was also at the high end compared to swings in adjoining seats. This suggests that the primary process provided little or no electoral benefit in what was a very tough election for the ALP in the outer eastern suburbs.

In addition, the Kilsyth Primary consumed a significant amount of Party and candidate resources in the lead up period to the State election. Amongst local Labor Party members, some disgruntlement has been expressed at the dilution of member's rights. The 2010 ALP National Review recommended the conduct of further primaries, initially in open and non-held Lower House seats. The Party should examine new ways to reach out to the community and encourage engagement with the Party and its processes. However, when primary pre-selection systems are further trialled, it is essential that they are properly evaluated so that they can be accurately assessed.

LABOR'S INNER CITY CAMPAIGN

Since 1999 Labor has been facing a significant challenge to its electoral dominance of the inner city seats of Melbourne, Richmond, Brunswick and Northcote. This has been driven by major demographic change and has seen the rise of the Greens Party as an alternative left political force in Federal and State politics in the inner urban area. It has also witnessed the emergence of other left community candidates, particularly in Richmond, Melbourne and in 2010, Brunswick. Over the same period, the Liberal vote has also declined dramatically in these areas, although it staged a small recovery in 2010, not surprisingly given the strong swing to the Liberal Party across the State. This is illustrated in Table 6.

Table 6: Inner City Primary Vote: Labor and Other Parties - 1999-2010				
COBURG/BRUNSWICK	1999	2002	2006	2010
ALP	64.67%	52.12%	47.74%	36.02%
Greens	8.73%	24.34%	29.71%	30.24%
Lib	26.60%	16.41%	17.42%	17.04%
Cleary				10.74%
Others combined	0.00%	7.13%	5.13%	5.96%
MELBOURNE	1999	2002	2006	2010
ALP	59.32%	45.32%	44.56%	35.67%
Lib	34.95%	21.01%	22.08%	27.96%
Greens		24.21%	27.41%	31.92%
Chamberlin		5.95%	2.73%	
Others combined	5.73%	3.51%	3.22%	4.45%
RICHMOND	1999	2002	2006	2010
ALP	57.41%	47.49%	46.41%	37.26%
Lib	30.57%	19.77%	19.88%	22.79%
Greens		28.64%	24.68%	28.44%
Jolly	12.02%	1.99%	5.64%	8.66%
Others combined	0.00%	2.11%	3.39%	2.85%
NORTHCOTE	1999	2002	2006	2010
ALP	66.11%	55.19%	52.57%	44.94%
Lib	25.97%	16.80%	15.29%	19.37%
Greens		25.41%	27.41%	30.85%
Others combined	7.93%	2.60%	4.73%	4.84%

In 2010 the campaign for the inner city in what has been a traditional Labor heartland now under threat from the Greens Party was the subject of considerable media attention. It dominated the early stages of the campaign and was a major headache for Labor which had to find ways of winning back its supporter base following the strong inner city defection to the Greens Party in the Federal seat of Melbourne three months earlier. It not only involved a battle for hearts and minds between two left of centre parties but also embroiled the Conservatives whose preference allocation would play a pivotal role in deciding the outcome in these seats.

The Labor-Green contest in 2010 played out in four Legislative Assembly seats; Melbourne, Richmond, Brunswick and Northcote. In these electorates, Labor suffered a significant drop in support and the Greens Party outpolled the Liberal Party, creating two-candidate preferred contests between Labor and the Greens.

Despite the drop in support for the ALP, Labor candidates were successful in holding all four seats. While the Greens Party were unable to capitalise on the drop in support for Labor, it is clear that the Liberal Party's decision to recommend that Liberal voters place the Greens last had a significant impact and was the deciding factor in Labor's victories in Richmond, Melbourne and Brunswick.

Labor's Contest with the Greens Party

Following the loss of the Federal Seat of Melbourne in August 2010, the Victorian ALP made a concerted effort to 're-brand' Labor across the inner-city as the natural home of progressive voters. A consistent campaign style and brand was adopted across the four inner-city electorates, with messages and taglines tailored for each electorate within this brand. It should be noted however that Northcote did not completely adopt the core messaging of the other three seats.

The brand was rolled out through outdoor advertising, street posters, campaign coreflutes, direct mail and unaddressed mail and print advertisements in local papers and gay and lesbian media and street press. A small but significant portion of the Party's electronic advertising budget was also targeted at inner-city voters. All four seats were also targeted by Labor's centrally co-ordinated phone canvassing program.

The vast majority of fundraising for the scaled-up inner-city campaigns was conducted locally and where possible did not divert resources from other aspects of campaigning across Victoria. However, the intense inner city campaign effort did mean that Labor's strong inner city FEA's were less able to assist marginal seat Party Units and some unions placed a greater emphasis on assisting the inner city compared to outer urban marginal seats.

In Richmond, Melbourne and Brunswick, the Labor campaigns emphasised Labor’s achievements in making Victoria a fairer and more sustainable place to live – demonstrated by our record of introducing the Charter of Human Rights and Responsibilities, removing legal discrimination against gay, lesbian, transgender and inter-sexed people, investing in key public services and tackling climate change. In Northcote a greater emphasis was placed on Labor’s traditional strengths in service delivery and creating jobs.

The Green Party’s Campaign

The Green Party’s campaign across the inner-city closely followed the template established by Adam Bandt, with a focus on high-visibility outdoor advertising, online advertising (particularly through *The Age online*) and frees media through the ABC and *The Age*. This was complemented by limited direct mail and unaddressed mail campaigns, and organised doorknocking.

Across all four seats the Greens Party emphasised the perceived negatives of the Labor Government, particularly in relation to public transport, the planning system and climate change. Having emphasised these negatives, the Greens then attempted to capitalise on dissatisfaction with the ALP with the slogan ‘*My values haven’t changed but my vote has – this time I’m voting Green*’.

The Election Result

As Table 7 shows, the Liberal Party’s decision to recommend that Liberal voters place the Greens last had a significant impact and was the deciding factor in Labor’s victories in Richmond, Melbourne and Brunswick.

	Melbourne		Richmond		Brunswick		Northcote	
	Primary Vote	2PP	Primary Vote	2PP	Primary Vote	2PP	Primary Vote	2PP
Labor	35.67	56.17	37.26	56.24	36.02	53.26	44.94	60.63
Liberal	27.96		22.79		17.04		19.37	
Greens	31.92	43.83	28.44	43.76	30.24	46.74	30.85	39.37
Other	4.45		11.51		16.7		4.84	
Informal	4.4		3.63		5.25		4.24	
Turnout	86.93		88.33		90.89		91.5	

Further, the Victorian Green Party was unable to capitalise on the shift away from Labor. While Adam Bandt experienced a 13.37 per cent increase in his primary vote, State Green candidates received much smaller positive swings ranging from 0.53 per cent in Brunswick to 4.51 per cent in Melbourne.

Table 8: The Federal Seat of Melbourne – Results for 2007 and 2010

	2007 Primary	2010 Primary	Swing	2010 2PP
Labor	49.51	38.09	-11.42	43.94
Liberal	23.49	21	-2.49	
Greens	22.8	36.17	13.37	56.04
Other	4.2	4.74	0.54	
Informal	2.80	3.62		
Turnout	91.5	90.09		

As Table 9 shows, the swings away from Labor were, in ascending order, 7.63% in Northcote, 8.89% in Melbourne, 9.15% in Richmond and 11.72% in Brunswick.

Table 9: State Primary Vote Swings between 2006 and 2010 Victorian Elections

	Northcote	Melbourne	Richmond	Brunswick
Labor	-7.63	-8.89	-9.15	-11.72
Liberal	4.08	5.86	2.91	-0.38
Greens	3.44	4.51	3.76	0.53
Other	0.11	-1.50	2.48	11.57

The existence of a small but significant differential in the swing away from Labor across the four seats requires further examination.

In Brunswick and Richmond, campaigns by high-profile and well known independents skewed the results by draining further votes from the Labor candidates and competing with the Greens Party for the support of voters who were not prepared to support the ALP.

In Brunswick Phil Cleary, a high-profile independent and former Federal Member for Wills polled 10.47% of the vote. When eliminated, the preferences of his supporters split roughly 55% to the Greens, 24% to Labor and 21% to the Liberals.

Similarly in Richmond Steve Jolly, a City of Yarra Councillor polled 8.66% of the vote. When eliminated, the preferences of his supporters split roughly 58% to the Greens, 30% to Labor and 12% to the Liberals.

In contrast, no high-profile or well-established 'left independent' contested in Melbourne or Northcote, and no significant support was recorded for a 'fourth candidate'. The Cleary and Jolly's candidacies go a long way to explaining the small differential in the anti-Labor swing across the four seats.

Their modest successes also demonstrate that the Greens candidates cannot take for granted that they will be the automatic beneficiaries when inner-city voters lose faith in the ALP. It is notable that in Melbourne and Northcote where there was no high-profile 'fourth candidate', the Liberals received a greater proportion of the swing away from Labor than the Greens.

Inner City Vote Comparisons-2010 Federal and State Elections

A comparison of the booth vote for the 2010 Federal and State elections in the State seats of Melbourne, Brunswick, Richmond and Northcote was also undertaken by overlaying the State booths with the same Federal booths in the Federal seats of Melbourne, Wills and Batman.

Seat/ 2010 Election	Labor	Greens	Liberal	Swings-Federal to State			
				Labor	Greens	Liberal	Major Independent
Melbourne (Federal)	37.70	37.48	20.27				
Melbourne (State)	36.55	31.98	27.16	-1.15	-5.50	+6.89	N/A
Wills (Federal)	48.58	28.84	19.04				
Brunswick (State)	37.71	28.16	16.62	-10.87	-0.68	-2.42	+11.46 (Cleary)
Melbourne (Federal)	39.85	37.36	18.68				
Richmond (State)	39.00	27.18	21.43	-0.85	-10.18	+2.75	+9.77 (Jolly)
Batman (Federal)	48.27	31.94	16.53				
Northcote (State)	46.20	29.91	19.04	-2.07	-2.03	+2.51	N/A

In all four State seats Labor's primary vote at the November 2010 State election was lower than Labor's primary vote at the August 2010 Federal election. This ranged from 0.85% in Richmond, 1.15% in Melbourne and 2.07% in Northcote to 10.87% in Brunswick. The lower primary vote can be attributed to Labor seeking a fourth term after 11 years in government compared to Federal Labor seeking a second term after 3 years.

Significantly, the primary differential between Federal and State, apart from in Brunswick, was much less than it was across the whole of Victoria, (Federal primary vote 42.81%, State primary vote 36.35%, a differential of 6.46%).

Secondly, the Greens were not always the beneficiaries of the fall in Labor's primary vote from the Federal election. Comparing the Federal with the State election, in Melbourne, the Greens lost far more of their primary vote (-5.50%) than Labor (-1.15%) and the drop in support for Labor and the Greens (in total -6.64%) is mirrored in a rise in the Liberal vote, (6.89%). This may reflect concern over the vote in the Federal seat of Melbourne delivering a hung Parliament and the possibility of a similar result in the State poll.

In Brunswick the drop in primary support for Labor (-10.87%) from the Federal election can be almost entirely attributed to high profile independent candidate Phil Cleary, (+11.46%). In Northcote the drop in Labor's primary since the Federal poll (2.07%) saw the Green vote also fall, (-2.03%) and a rise in support for the Liberals, (+2.51%).

In Richmond the biggest shift in primary support between the Federal and State election is from the Greens, (-10.18%) to independent and Local Councillor Steve Jolly, (+9.77%). Interestingly, Jolly ran a negative campaign against the Greens focussed on their record of voting for above inflation rate rises on Yarra City Council and public statements by the Greens that they might support a future Liberal government in the event of a hung State Parliament. Nevertheless, Jolly delivered the majority of his preferences back to the Greens Party.

Inner City Conclusions

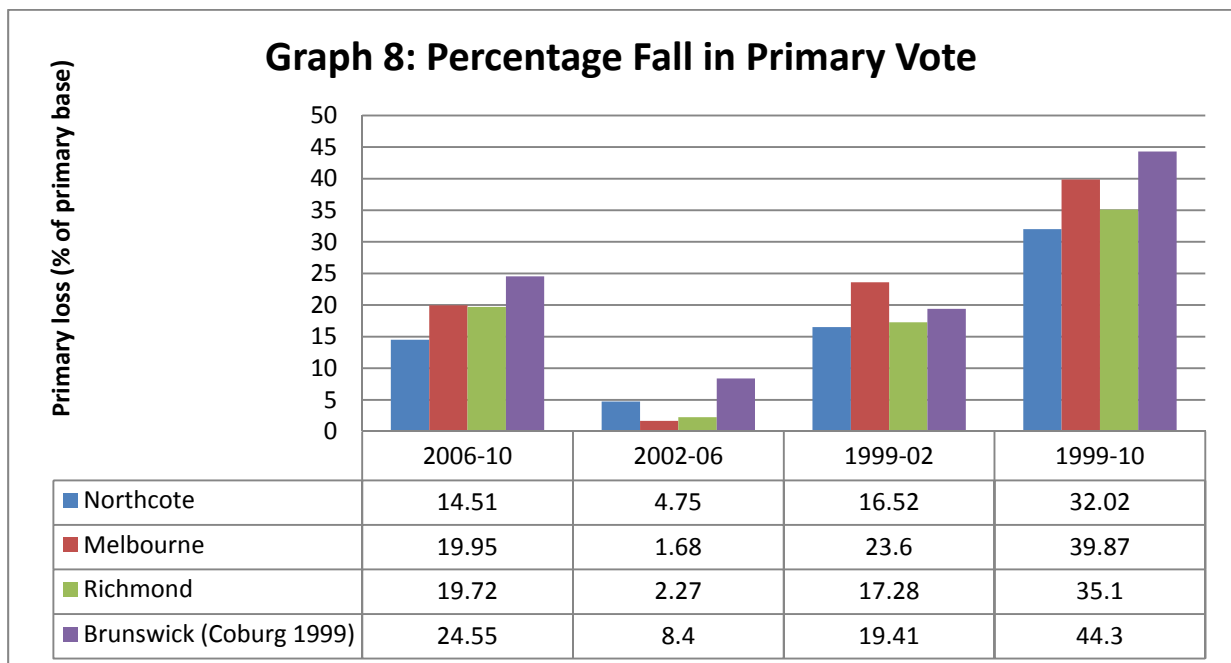
Although it would be tempting to view Labor's inner-city victories in November 2010 as a sign that we have turned the corner in our battle with the Greens Party, the truth is far less rosy. Had the Liberal Party recommended that Liberal voters' preference the Greens ahead of the ALP, Labor would have lost Melbourne, Brunswick and Richmond.

The decision to run scaled up and clearly branded campaigns in inner-Melbourne aimed at wavering Labor voters may have denied oxygen to the Greens and contributed to their under-performance relative to the 2010 Federal Election. However, the Labor primary vote still dropped significantly across all four seats compared to the 2006 State poll – a result that cannot be regarded as a success on any measure. The swing against Labor on primary votes in all four inner city seats (7.6% to 11.7%) was higher than Labor's loss of primary vote at a state-wide level (6.46%). Labor's hold on these seats is still hostage to the direction of Liberal Party preferences. This will also be the case at the next election unless Labor can improve its primary vote.

The decision of the Liberal Party to preference Labor ahead of the Green Party undoubtedly gave a boost to the Coalition’s campaign. It not only made Baillieu look strong and decisive, it gave him clean air in which he could focus his attack on Labor instead of fending questions about his Party’s position on preferences. A lot of the interest in the Greens evaporated and instead the media honed in on the main election contest. The preference decision also helped consolidate voters who were looking for a clear alternative behind the Coalition.

There are some differences of opinion on the best way to tackle the threat posed by the Greens in the four inner city seats, and this merits further discussion within the Party.

In Northcote the local member ran a campaign which placed more emphasis on traditional Labor values such as basic services, health and education and jobs and placed less emphasis on progressive Labor issues such as the environment and social justice. The Member for Northcote took the view that Labor needed to campaign on issues that are part of the core strength of the Labor Party brand, rather than the environment and climate change which are seen as core Green strengths. This would differentiate Labor from the Greens and the Liberals rather than being seen a ‘Greens lite.’ It is asserted that this campaign resulted in a smaller percentage drop in primary vote support compared to the other inner city seats. This is illustrated as follows:



However, the extent to which this can be attributed to a difference in campaign emphasis is unclear. Whilst greater emphasis was placed on human rights and social justice issues in Melbourne, Richmond and Brunswick, they also ran on Labor's core strengths in health and education. In both Richmond and Brunswick the presence of a high profile alternative left candidate in addition to the Greens clearly dented Labor's primary vote. In addition, the advantages of incumbency in Brunswick were lost with the retirement of long serving Labor member Carlo Carli, whilst in Northcote the benefits of first term incumbency for Fiona Richardson would have helped shore up Labor's support in that seat.

Clearly the best campaign focus in seats tending to vote Green in increasing numbers should be the subject of further analysis and research by the ALP. However, a number of marginal seat campaigns expressed concern that inner city branding on billboards visible from major arterial roads and railway lines confused Labor's core campaign messages for commuters from the outer suburbs. This Review is inclined to the view that a strong and consistent message across all seats is preferable to separately branded campaigns.

Further, campaigns that seek to hold the Greens Party to account for their voting record in Parliament, their record in local government or the effect of their policies on working people will have an impact in reducing their primary vote. Put simply, the Greens must be subject to the same scrutiny as every other political party.

THE IMPACT OF GREEN PREFERENCES ON THE ELECTION RESULT

Labor expended considerable time and energy in the election negotiating with the Greens on preferences for marginal seats. In the end the Greens directed preferences to Labor in the marginal seats of Ballarat East, Ballarat West, Bentleigh, Burwood, Eltham, Forest Hill, Frankston, Mitcham, Mordialloc, Mount Waverley, Prahran, Ripon and South Barwon. Apart from the inner city marginals where the contest was with the Greens, notable Category A seats that were not part of the preference deal included Bendigo East, Gembrook, Macedon and Seymour. No Category B seat was part of the agreement other than Ballarat East.

The Review analysed the impact of this preference deal on the preference flow from Greens candidates to Labor in the Legislative Assembly. Marginal seats were excluded from this analysis where the Victorian Electoral Commission does not provide a breakdown of the Greens preference flow because a Liberal candidate already had in excess of 50% of the vote, prior to the distribution of Green preferences. This excluded the seats of Burwood, Forest Hill, Mt Waverley, and South Barwon. Ripon was also not included because Green preferences were distributed to Labor, Liberal and National Party candidates.

This left 8 marginal seats for analysis and comparison with 14 other seats where the Greens ran an open ticket. The comparison was undertaken with the seats of Albert Park, Bellarine, Bundoora, Carrum, Essendon, Footscray, Geelong, Ivanhoe, Macedon, Monbulk, Narre Warren North, Oakleigh, Williamstown, and Yan Yean, all seats that did not achieve more than 50% of the two party preferred vote prior to the distribution of Green preferences. Cranbourne was excluded from the analysis because Labor only attracted 58.93% of the Green preferences, an atypical result.

It should be noted that the VEC does not provide a detailed preference flow to Labor from the other minor parties. Therefore the preferences flowing from the Greens also include preferences from other already eliminated minor party candidates. The results are summarised in the following tables:

TABLE 11: PERCENTAGE OF PREFERENCES DIRECTED FROM GREENS TO ALP

ELECTORATE	%OF PREFERENCES TO ALP
SEATS WITH A PREFERENCE AGREEMENT	
Ballarat East	76.75%
Ballarat West	71.49%
Bentleigh	80.03%
Eltham	81.10%
Frankston	76.36%
Mitcham	75.19%
Mordialloc	75.92%
Prahran	76.31%
SEATS WITHOUT A PREFERENCE AGREEMENT	
Albert Park	75.13%
Bellarine	73.39%
Bundoora	77.45%
Carrum	77.89%
Essendon	65.77%
Footscray	77.41%
Geelong	77.14%
Ivanhoe	76.35%
Macedon	70.90%
Monbulk	78.27%
Narre Warren North	79.05%
Oakleigh	79.84%
Williamstown	72.59%
Yan Yean	80.62%

SUMMARY OF GREEN PREFERENCE FLOWS IN SEATS WITH A PREFERENCE AGREEMENT AND THOSE WITHOUT	PREFERENCES TO ALP
8 seats with a preference agreement	76.65%
14 seats without a preference agreement	75.54%
Difference as a result of agreement	+1.11%
Difference as a % of total vote (using state-wide Green primary of 11.2%)	0.12%
Average number of votes, (using 36,000 as average formal votes)	45 votes
Difference as a % of total vote, (using Green primary vote in these 22 seats of 12.88%)	0.14%
Average number of votes, (using 36,000 as average formal votes)	51 votes

The analysis shows that directed preferences from the Greens to the ALP as against a Greens open ticket results in an increased flow of Greens preferences to Labor of 1.11% or 0.12% of the total vote. This translates into a net gain to Labor in State Legislative Assembly seats of 45 to 51 votes. Therefore it will only be in seats decided by the narrowest of margins, (less than 0.15% of the vote), that directed Greens preferences as against an open Greens ticket will be crucial in delivering the seat to Labor. Consequently, the threat by the Greens that in future they will run open tickets rather than direct preferences to Labor will have little or no impact on the final electoral outcome in the Victorian Legislative Assembly. This also highlights that we should not act to meet Green Party demands on the basis of a preference agreement. It is of extremely limited value and should be treated accordingly.

THE LA TROBE VALLEY AND EAST GIPPSLAND

The La Trobe Valley

The La Trobe Valley until recently has been seen as part of the Labor heartland. Since 1970, Labor has held the seat of Morwell centred on the La Trobe Valley, but lost the seat to the Nationals at the 2006 State election. At the 2010 poll, Labor suffered a further 14.2% swing against it to the National Party. The review sought to examine the reasons for the dramatic erosion of Labor's electoral standing in the La Trobe Valley.

The prosperity of the Valley has been built on the back of its brown coal and natural gas assets. Until the privatizations program of the Kennett government, the SECV was the dominant employer of a highly unionized workforce. The La Trobe Valley was considered unique in that it held both a predominance of public sector employment and an industry which specialised in electricity generation and construction. The SECV was a paternalistic employer of a largely migrant workforce with its own internal training and career paths and a strong sense of social solidarity that was replicated in the construction of the model township of Yallourn. It was built around a centralised industrial relations system and as a consequence the SECV was a union stronghold, with over 95% of the workforce belonging to blue and white collar trade unions. The Gippsland Trades and Labor Council was active in the Valley and played a central role in union industrial activity within the SECV.

However, the privatization of the SECV and industrial restructuring throughout the La Trobe Valley completely overwhelmed this sense of community and divided the unions. In a very short period of time the Valley saw a State owned monopoly with many local ties replaced by a number of largely foreign owned companies with a principal loyalty to the interests of shareholders. As the industry restructured, thousands of jobs were lost, unemployment soared and community solidarity was permanently damaged. Whilst the Valley has since to some extent diversified its employment base, problems of unemployment and welfare dependency are entrenched in some areas and the scars of social dislocation remain.

The Bracks Labor government recognised that the Valley confronted significant social and economic issues and established a high profile La Trobe Valley Ministerial Taskforce to engage with the community and produce a regional blueprint, "Framework for the Future," released in June 2001. The plan included an investment of \$106 million to help revitalise the Valley by improving the region's investment prospects, boosting the Valley's image and confidence, building the region's skills base, and investing in local communities. Whilst the Bracks government was generally credited with helping to put the Valley back on its feet, the Plan has also been subsequently criticised as being insufficient to tackle the protracted problems being experienced in the region.

Labor’s electoral performance in the Valley has to be seen against this backdrop. The following Table charts the decline of Labor’s electoral fortunes in the area:

Table 12: Labor’s Electoral Performance in Morwell – 1999-2010								
Morwell	1999	2002	Swing	2006	Swing	2010	Swing	Total Swing 1999-2010
2PP Vote	59.1%	54.9%	-4.2%	47.9%	-7%	33.7%	-14.2%	-25.4%

Since 1999 Labor has experienced an astonishing 25.4% swing against it in the seat of Morwell, which is now a National Party stronghold. This can in part be attributed to:

- The retirement of a long term incumbent member, and first term Labor Government Minister, Keith Hamilton, in 2002.
- Internal divisions within the Labor Party over local policies at successive elections, including local party members and union backed candidates running against endorsed Labor candidates.
- The proposal by the Bracks government to pipe treated recycled water from the Carrum Sewerage treatment plant to cool power stations in the La Trobe Valley in return for piping fresh water currently used for this purpose to Melbourne, allowing the National Party to run an effective negative campaign in the 2006 election claiming that Labor was stealing the Valley’s water for Melbourne’s use.
- The impact of first term incumbency by National Party Member Russell Northe elected in 2006, who has been able to claim credit for local Labor initiatives whilst at the same time running a relentless negative campaign against the government.
- The view that Labor had not sufficiently addressed the social and economic issues that confronted the Valley whilst in government.
- Labor’s commitment to close down two units of the Hazelwood power station. La Trobe Valley workers had lived through the privatization of the electricity industry and the devastating impact it had on jobs and investment. This was perceived as another direct threat to local jobs.
- The state-wide factors that contributed to Labor’s loss after 11 years in government in Victoria.

East Gippsland

Craig Ingram was elected as one of three independents in 1999 on the back of his campaign to restore services to country Victoria along with a minimum 28% environmental flow to the Snowy River. Ingram was elected with 24.79% of the primary vote, and leap frogged the Nationals candidate with the support of Labor preferences that flowed from a 27.25% Labor primary vote. Ingram's core campaign themes dovetailed well with Labor's campaign commitments and when Ingram found himself with the other Independents holding the balance of power, he opted to support the minority Bracks Labor government.

In 2002 Ingram substantially increased his primary vote by 16.54 percentage points to 41.33%, largely at the expense of the Labor primary, which plummeted by 12.41 percentage points to 14.84%. This reflected a strategic decision by Labor supporters to vote directly for Ingram as an independent and was an endorsement both of his performance and that of the Bracks Labor government. In 2006 Ingram's primary started to slide but still held up at a respectable 38.4%. The Labor primary continued to also fall, down to 11.65%. Ingram was still able to return a two candidate preferred result of 58.47%. However, voters were starting to transfer their support back to the Nationals. In the 2010 State election, this turned to a landslide, with a drop in primary support for Ingram of 13.11 percentage points and a two candidate preferred swing against him of 20.48%, the highest in the State. Labor recorded only 7.49% of the primary vote.

Craig Ingram's stunning loss is readily explained by two factors. The first is the outcome of the Federal election, which saw the balance of power held by independents and minor parties. Voters observed the uncertainties and problems created by a hung Parliament and didn't like what they saw. During the State election speculation mounted that inner city Greens and possibly Craig Ingram would hold the balance of power in a hung Parliament. The Liberal and National Parties campaigned relentlessly in East Gippsland against this prospect and urged voters to support the Coalition. The strong anti-independents sentiment resonated strongly with voters in East Gippsland.

Secondly, after 11 years in power, Labor had experienced a general erosion in support. Craig Ingram was identified as a supporter of Labor who had delivered power to Steve Bracks in 1999. In return, Labor had delivered on a number of Ingram's campaign commitments including partial restoration of Snowy River flows, increased investment in services and infrastructure and the re-opening of the Bairnsdale train line. Whilst this worked well electorally for Ingram in 2002 and a lesser extent in 2006, in 2010 the voters turned against Labor and Ingram with a vengeance and shifted their support to the Coalition. In these circumstances, whilst Craig Ingram ended up with a primary vote very similar to his 1999 primary, it was not sufficient on its own to see him re-elected.

PARTY REFORM

“For the founders of our Party, Labor was created to perform two important tasks: to secure government and to use the powers of government to implement immediate legislative reform; and to exist as a community movement involved in local issues: tackling unfairness and discrimination at grassroots level and providing a real and genuine connection to the broader community,” (2010 National Review)

A persistent theme in submissions to this Review is the need to re-activate the Party’s membership base. These submissions echo the recommendations made by previous reviews, and most recently the National Review into the 2010 Federal Election.

The membership base of the ALP is shrinking and continues to age. In Victoria, party membership last year sat at around 13,000. However, participation in the party is declining. This year membership looks set to shrink to around 11,000. Many Party members feel alienated and disenfranchised. “Modern campaigning techniques introduced over the last 30 years have diminished and degraded the role members once played in political campaigning,” (2010 National Review). At the last Federal and State elections, the Labor party was unable to staff all its polling booths, even in seats with nominally large memberships.

Members no longer participate in party affairs to the extent they once did. Whilst this partly reflects the paucity of time many members have in an increasingly fast paced world, it also reflects the dissatisfaction they feel at having no meaningful role. Members want a modern, democratic party that utilises their input. Put simply, members no longer feel the need to be involved with a party that does not engage them and gives them little or no say in its operations or direction.

A strong and dynamic membership is not only important to the health of the Party; it is also crucial to electoral success. The Australian Labor Party has always drawn its strength from its links to trade unions and community organisations. Unlike the Liberal Party, Labor has always seen itself as a community based party engaged with people where they live and work. It is from these connections that Labor has identified issues which require political organisation, action and reform. Labor is now in Opposition in Victoria for at least the next four years. This presents an opportunity for Labor to modernise and reconnect with members, its trade union affiliates and progressive community movements.

The National Review recommends significant changes in Labor’s structure and operations, including ways to grow party membership, giving members a greater say in party affairs, and out-reach to supporters using modern campaigning techniques, including on line technologies, on progressive issues.

The recommendations of the recent National Review have already generated considerable debate within the Party and will no doubt continue to do so as they are worked through by the ALP National Executive and Conference later this year.

Rather than replicate those recommendations, this Review seeks to make additional recommendations of particular relevance to the Victorian branch.

ALP Head Office

Members join the Party for a variety of reasons. Many join because they aspire to be part of a broader political movement that defends workers rights and fights for social justice. Increasingly they also want Labor to promote a sustainable environment. As members, they want to contribute their ideas to what Labor in government should do. They are looking to have an influence on the party's policy directions. They also want to have a say in who represents the party in Parliament through the pre-selection process. For this to occur, the party's structures and processes need to be overhauled to give effect to the aspirations of members. Otherwise, party membership will continue to whither.

A number of submissions have recommended that ALP Head Office be upgraded to better serve the party in areas such as branch support and member development, research and policy committee support and campaign planning and management. This would require Head Office to be restructured into divisions responsible for these areas together with a division responsible for administration and finance. Party Officials would be appointed to be responsible for these areas rather than as generalist Field Officers.

Each area would have its own objectives and key performance indicators. Party officials working in these areas would report regularly on their objectives, key performance indicators and outcomes to the State Secretary, who in turn should provide regular reports to the Administrative Committee and a comprehensive report to the State Conference. Party divisions would be encouraged to make better use of the volunteer talent and energy available within the party membership.

In addition, the party needs to develop better management information and support systems. This would assist Head Office in providing more meaningful support to branches and FEA's. Many branches do not meet regularly, do not forward plan, do not campaign and do not fund raise. Whist branches for a long time have been self reliant, a large number are finding it difficult to revitalise the ALP in their communities, are not active in local community issues and struggle to support election campaigns with core tasks such as staffing polling booths. As part of determining the type of support to be provided, it has been suggested that branches and FEA's be audited for their effectiveness and well-being on an annual basis.

Head Office must also improve its communications and responsiveness to branches, with many complaining they have not received replies to correspondence or membership applications for months on end. A statutory period ought to be established to ensure that membership applications are dealt with in a timely manner.

Structure of Branches and the FEA

More fundamentally, the ALP needs to consider remodelling the branch and FEA structure. The FEA structure has been in operation since 1970, but significant issues have been raised about how well it works. Very few FEA's carry out their activities according to Party rules as members remained focused on their branch. Mostly Federal candidates have appointed their own campaign teams rather than utilise the FEA Executive in this role. This raises questions as to whether the FEA structures should be abolished. There are significant organisational problems confronting branches in areas where there is no State or Federal Lower House representation. There are also too many small branches that are not viable and experience chronically low attendances. A large number of branches are not functional at all.

It is proposed that the Victorian ALP consider a new branch structure based on one branch per State Assembly seat under 50km². In seats larger in size more than one branch would be allowed. In exceptional circumstances a case could be made for another branch to exist within a State electoral district where there is a substantial, diverse and active membership. The timing of the Victorian Electoral Commission's redistribution of Victorian electoral boundaries, scheduled to commence after November 2012, may effect the date on which these reforms can be introduced.

As part of their campaigning role, branches would be able to establish sub-committees on any issue. Branches would be mandated and receive Administrative Committee approval for a charter of operation with enforceable key performance requirements.

These reforms would create larger branches that could more effectively debate issues and engage with their local communities. It would consolidate member activity and ensure that there is an active campaign focus in all 88 State Assembly seats. It would also reduce the amount of time that elected representatives have to spend at numerous small branch meetings over the course of a month rather than be out engaging with the community. Legislative Council members should be required to provide Branch support where there is no Assembly representation.

It would provide an organising focus for the party and help ensure that Labor is more effectively connected to the community, particularly in areas where there is no elected State Assembly representation. Branches would also gather feedback from constituents on local issues and ensure they are fed into Labor Shadow Ministers and Upper House members. Federal issues would be transmitted to Victorian Senators where there is no sitting Labor member.

RECOMMENDATIONS:

18. That Head Office's information systems are upgraded to better support branch and FEA activity.
19. That Head Office is required to accept or reject applications for party membership within a statutory period.
20. That party branches be restructured with one branch per State Assembly seat under 50km², but more than one branch allowed in geographically larger seats.
21. That additional branches within a State electoral district only be permitted where the branch meets certain criteria and has demonstrated that it has a substantial and active membership base.
22. That the Administrative Committee establish performance requirements for local party branches.
23. That all State and Federal members of Parliament be required to formally support designated branches and take responsibility for their health and well-being on an ongoing basis.

Staff Employment, Training and Development

It is clear that the party needs to develop the campaign skills of staff and work harder at training up and retaining good Party officials. This should be a primary focus of the ALPs' effort over the next two years. The ALP has lost some of the key tool kits and corporate knowledge needed to train Party officials in campaign techniques. A formal campaign training program needs to be re-instituted with a robust curriculum, as *Campaign Insight* once was, (the last comprehensive program was conducted in 2004).

Labor also needs to move quickly to establish a standing Campaign Committee that consists of Party leaders and experienced elders who can mentor the emerging crop of young party officials and lay the foundations for the ALPs' next campaigns in 2013 and 2014.

For too long the operations of Head Office have been destabilised by constantly shifting factional alliances. The jobs of Party officials are professional ones that require particular knowledge and skill sets and should be treated as such. Good people will only be retained if there is some job security, professional development and job satisfaction that comes from working in a supportive office environment.

One suggestion made to this Review is that Party officials should be elected on fixed terms by the ALP State Conference. Whilst this would not lessen the roles that factions play in party appointments, it would provide a sufficient and predictable lead time in which candidates could put forward their credentials. It would also ensure that candidates have to argue their case for election and outline the skill sets they have to offer the Party. Even if there are arrangements made between the major groupings in the Party, it presents a more

ordered opportunity for the Party to consider the suite of skills that are needed across all Party positions. Importantly, there are the democratic benefits of a broad based election by Conference delegates where officials are accountable to the broader party as well as the Administrative Committee whilst enjoying the legitimacy of elected office for a fixed term. The fixed term could be for two or three years, with party officials not precluded from standing for re-election.

An alternative proposal that has been advanced is for the Administrative Committee to appoint an Employment Committee with organisational and campaign experience who are not members or proxies of the Administrative Committee. This group would be responsible for the appointment of officials on a fixed term, for performance reviews and recommendations to the Administrative Committee on any subsequent contract renewals or fresh advertisements. This approach would also require applicants to present their credentials for appointment and allow for consideration of the range of skills required at Head Office at arms length from factional leaders. It would also include advertisement to ALP members to encourage a wide range of applicants to apply for positions within the Party. Positions would be filled on the basis of the proven qualifications, skills and experience of applicants.

An essential element of either proposal is to introduce fixed employment terms, with grounds for dismissal short of this employment period clearly spelt out in an employment contract. Fixed terms with clear performance measures would provide certainty and stability in undertaking key professional roles within the party. Following a performance review a further term of employment could be offered. The appointment or removal of Party officials should require a special majority of the Administrative Committee.

Women in Head Office

A noticeable feature of the current list of ALP staff is the absence of women from senior Party roles in Head Office, although women do feature amongst the staff. The ALP has been effective in bringing greater female representation to the Parliamentary party, especially so when compared to the Liberal and National Parties. Women have also filled key leadership roles in Labor governments including as Prime Minister, Premier, as Cabinet Ministers and now Shadow Ministers. Consideration should be given to the training and mentoring of women for senior leadership roles in Head Office.

RECOMMENDATIONS:

That the Victorian ALP:

- 24. Restructure ALP Head Office to better reflect its core areas of activity, namely; administration and finance, branch support and member development, research and policy committee support and campaign planning and management.**
- 25. Ensure that each area of Head Office has its own specific objectives, plans and performance criteria with reports provided through the State Secretary to the Administrative Committee and the State Conference.**
- 26. Conduct a review of the range of skills needed in party officials to both service the party membership and run election campaigns.**
- 27. Examine the rule changes necessary to provide greater certainty to the employment tenure of party officials.**
- 28. Consider the merits of electing party officials for a fixed term by State Conference or appointment through public advertisement.**
- 29. Appoint an Employment Committee responsible for developing employment conditions, pay structures, staff development programs and performance reviews.**
- 30. Review measures to improve staff retention rates.**
- 31. Institute a formal training campaign for party officials with a robust curriculum.**
- 32. Introduce a training and mentoring program and encourage women to apply for senior roles within Head Office.**
- 33. Establish a standing Campaign Committee that provides a focus between formal elections for campaign activity. The membership of this Committee should be based on proven expertise and experience in election campaigns and provide a vehicle for mentoring party officials.**

ALP Finances

Election campaigns are increasingly expensive, but in 2010 the Victorian Labor Party was not able to spend as much as it had on the 2006 State election.

Labor is no longer in government and when last in Opposition fundraising certainly proved to be much more difficult. In addition, there will be fundraising required for Federal Labor's 2013 campaign prior to the State campaign the following year. In 2014, Labor cannot afford to go to its first election in 15 years as the Opposition in the same parlous financial state as it did in 1996.

The Victorian Branch currently raises income from membership and union affiliation fees, interest on investments, fundraising from individuals and corporate entities, parliamentary levies and State election public funding. A number of these income streams are under threat from increased government regulation, static party and union membership levels and a changing environment affecting the level of corporate donations to political parties.

The establishment of a Capital Investment Fund some years ago was designed to ensure that the ALP's finances in the longer term would be secure and provide a revenue stream from dividends and interest that the Fund received from its investments.

To date Labor has not sought corporate donations to the Capital Investment Fund. There are a number of Labor supporting companies that would be attracted to the idea of making a donation that will help underpin the long term viability of the Victorian Labor Party. This could add significantly over time to the income generating capacity of the Fund. This will require a review of the rules governing the Capital Investment Fund to ensure that the fund capital is not used for short term expenditure.

Through Progressive Business the Victorian ALP has built important links with the business community. Progressive Business has provided a forum through which Labor can engage with the challenges confronting business. It has also been an important avenue through which ALP has been able to raise funds and advance the Labor cause. A review of Progressive Business is underway and the outcomes of that review should be considered by the Finance Advisory Body recommended as part of this Review.

The ALP also needs to tap into the reservoir of support that exists for Labor in the community by establishing an individual donor program. Unlike other not for profit organisations, Labor has failed to tap this possible source of income to its detriment.

A comprehensive individual donor program will require a substantial investment and a concerted, long term commitment. Labor needs to run a professional donor program and be in it for the long haul. The competition for donor dollars is intense and the options available to potential donors are numerous. The rewards from Labor's current Bequest Program may not fully materialize for 20 years or more. An individual donor program will augment the Bequests Program and a skilled Party official will need to be dedicated to manage both programs.

An Advisory Committee should be appointed to assist Head Office in the management of the program, drawing on the fundraising expertise that exists within the Party.

ALP Head Office also needs to upgrade its fundraising skills. The ALP should join the Fundraising Institute of Australia and utilise the resources, information seminars and expertise available from the Institute. There may also be considerable benefits in examining overseas donor programs, particularly in the area of internet fundraising.

The MP Levy should also be extended to all electorate officers, Opposition advisers and staff, together with Federal Ministerial advisers and staff. The levy need not be as high as it is for State and Federal MP's.

Identifying new sources of revenue and establishing a solid financial basis for the operations of the Party and for future campaign activities will require the skilled input of a Financial Advisory Body with considerable fundraising and financial expertise. This advisory body should be appointed by the Administrative Committee but not consist of members of Admin, other than perhaps the Chair, who would provide regular reports.

RECOMMENDATIONS:

34. That a Financial Advisory Body be established by the Administrative Committee and consist of five people with considerable fundraising or financial investment expertise.

35. That the Financial Advisory Body draft a Financial Strategy Plan for presentation to the ALP Administrative Committee by December 2011.

36. That the Rules Revision Committee be asked to bring to State Conference recommended rule changes to protect the Capital Investment Fund so no future administration can utilise the capital base of the fund.

37. That an Individual Donor Program be established for an initial 4 year period.

38. That a dedicated manager of the Individual Donor Program be appointed.

39. That the State Secretary examine and report back to the Administrative Committee on the feasibility of introducing an MP Staff Levy that would include Electorate Officers, all staff working in the State Opposition Rooms and all staff working for Federal Victorian Ministers.

Previous Reviews

Over the last decade the Victorian ALP has commissioned a number of reviews into its operations, structure, membership and rules. The reports have produced numerous recommendations for reform. Some of these recommendations have been adopted by the Party, some have been sent to Party committees for consideration and others have been rejected or become null and void. However, a continuing theme of submissions to this review is confusion amongst party members as to what has or has not been addressed and acted on by the Party. Amongst some members there is also pessimism about the extent to which the Party is willing to openly discuss and embrace change. It is an appropriate time for the Victorian ALP to conduct an audit of these reviews and make a clear statement about the status of their recommendations, including those that are regarded as obsolete.

In the context of this Review a stock take on progress in considering and implementing the recommendations should be held within 12 months. A second audit should be conducted by the end of 2013 with a view to concluding what has or has not been implemented from this Review. There should also be regular progress reports to the Administrative Committee as this Review report is progressively acted on and implemented.

RECOMMENDATIONS:

40. That the Victorian ALP conduct an audit of previous reviews since 1999 and make a clear statement about the status of the recommendations made in these reviews.

41. That the Victorian ALP undertake a stock take on progress in implementing the recommendations of this Review by the end of 2012, with a final report on implementation by the end of 2013.

SUMMARY OF RECOMMENDATIONS:

MARGINAL SEATS STRATEGY:

1. That a decision on the key marginal seats to be targeted to achieve an electoral majority should be made two years out from an election.
2. That the addition of new seats should then be considered again based on research at 12 months, 6 months and then the commencement of the election campaign.

POLLING AND RESEARCH

3. That the Victorian ALP review its research and polling program in the lead up to the next State election with a view to:
 - Developing a training program for party officials, senior members of the Parliamentary Labor Party and key staff in poll analysis.
 - Studying the latest trends in opinion research overseas.
 - Establishing early the structure of the research program and the service providers to be used in order to develop strong working relationships.
 - Commencing our research and polling program earlier in the political cycle.
 - Making more effective use of Rapid Response Monitors in individual marginal seats based on problem areas identified through quantitative research.
 - Placing a greater emphasis on qualitative research.

POLICY DEVELOPMENT

4. That the State Parliamentary Labor Party initiate a 'Labor Listens' program in communities across the State to receive feedback and ideas from the community that can contribute to the ALP's policy development processes.
5. That the process for development of the next ALP Platform be improved by implementing the recommendations of the National Review, including:
 - A Central 'Policy Branch' to hold regular meetings to debate major policy issues and provide a forum for all ALP members to participate.
 - Policy Committees to better utilise experts in their fields to produce substantive, well developed policy ideas.
 - Policy Committees to be supported to incorporate into their consultative arrangements workshops and roundtables with key community organisations, academics and researchers working in areas of policy innovation.
6. That the timetable for development of the next Platform be amended to ensure that the final document is adopted in October 2013 - 12 months out from the election - rather than in May 2014 as has become the pattern in recent cycles.

- 7. That State Conference determine the size of Policy Committees within a range of 15 to 30 members, along with the number of SPLP delegates. This would be additional to the Shadow Minister(s) included on the Committee.**
- 8. That State Conference consider the number required for a quorum in any change to the size of Policy Committees. To ensure continuity in the Committee's work, State Conference elected Committee members should only be able to proxy Associate Policy Committee members and SPLP delegates should be able to proxy to other MP's.**
- 9. That all Policy Committees be asked to run three policy forums bi-annually: one in the metropolitan area, one in an outer suburban area and the third in a regional centre. The Agenda Committee to be given responsibility for overseeing this program of policy forums to ensure effective coverage across the State.**
- 10. That ALP Head Office employ a Policy Co-ordinator to:**
 - Assist with the development of a contacts database for each Policy Committee.**
 - Identify research and people with expertise that may inform the work of Policy Committees.**
 - Assist with the organisation and promotion of Policy forums.**
 - Oversee a trial of an on-line 'wiki' intranet approach to policy development that allows Policy Committees to communicate and develop ideas outside of their monthly meetings.**
 - Explore ways in which new technology can aid the input of Party members, especially rural and regional members into Policy Committee deliberations.**
- 11. That Shadow Ministers work with the Policy Co-ordinator and Policy Committees to develop the annual work plan of each Committee.**
- 12. That the State Parliamentary Labor Party ensure the election of delegates to each Policy Committee in accordance with the number of positions allocated to the State Parliamentary Caucus. That the Leader of the State Parliamentary Party require MP's to fulfil their Policy Committee obligations.**
- 13. That ALP Rules be amended to include the current criteria used by the Agenda Committee to assess Urgency Resolutions for inclusion on State Conference Agenda. Further that the Rules be amended to ensure that the recommendations of the Agenda Committee regarding Urgency Resolutions can only be varied by an absolute majority of delegates eligible to attend State Conference. That further measures to ensure the supremacy of Policy Committee reports and debates over Urgency Resolutions be actively considered.**
- 14. That the ALP reviews the size of State Conference and address issues such as absenteeism and quorums to improve Conference attendance and participation.**
- 15. That the final Platform document be made available on line to all members.**

CANDIDATE SUPPORT

16. That ALP Head Office conduct a formal training and information program for candidates and their Campaign Committees early in the lead up to the next State election.

COMMUNICATIONS

17. That the ALP conduct more research into the most effective ways to communicate Labor's message, taking into account contemporary research and the latest methods used in other jurisdictions and overseas.

BRANCH STRUCTURE

18. That Head Office's information systems are upgraded to better support branch and FEA activity.

19. That Head Office is required to accept or reject applications for party membership within a statutory period.

20. That party branches be restructured with one branch per State Assembly seat under 50km², but more than one branch allowed in geographically larger seats.

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22. That the Administrative Committee establish performance requirements for local party branches.

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HEAD OFFICE STRUCTURE

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PARTY FINANCES

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- 38. That a dedicated manager of the Individual Donor Program be appointed.**
- 39. That the State Secretary examine and report back to the Administrative Committee on the feasibility of introducing an MP Staff Levy that would include Electorate Officers, all staff working in the State Opposition Rooms and all staff working for Federal Victorian Ministers.**
- 40. That the Victorian ALP conduct an audit of previous reviews since 1999 and make a clear statement about the status of the recommendations made in these reviews.**
- 41. That the Victorian ALP undertake a stock take on progress in implementing the recommendations of this Review by the end of 2012, with a final report on implementation by the end of 2013.**

ACHIEVEMENTS OF THE BRACKS & BRUMBY LABOR GOVERNMENTS

Despite its defeat at the 2010 election the Victorian Labor government has a proud record of achievement. Labor has left a significant legacy for the State. Labor came to government on the back of widespread discontent with the closures and cuts to services under the Kennett government. This included the closure of 350 state schools, the removal of 9,000 teachers, the loss of 3,500 nurses and 800 police and the closure of 6 passenger rail lines. The damage done to the social fabric of the state by these cuts was enormous.

Labor set itself the task of restoring services that had been closed and run down by years of funding cuts and underinvestment. Labor invested over \$30 billion in new and upgraded infrastructure, including 980 schools, over 100 hospitals and 160 police stations. Around 10,000 extra teachers and support staff, 11,000 extra nurses and 2,000 extra police are now serving the Victorian public. The government also grew the whole State, reversing years of decline in regional Victoria.

The impact of these investments is obvious in a wide range of areas. Victoria's crime rate is way below the national average, Year 12 completion rates have improved and Victorian hospitals are treating an extra 700,000 patients a year. The improvements made to public transport have seen patronage increase dramatically. The investments made in the Victorian water grid and projects such as the Food bowl irrigation district and desalination plant have guaranteed water security for decades to come.

Labor's programs to tackle social disadvantage through a Fairer Victoria were regarded as the best in Australia. Labor built or acquired over 14,000 new social housing properties and its program of neighbourhood renewal helped transform old public housing estates. Overall, \$6 billion was invested through A Fairer Victoria to tackle disadvantage, improve mental health services, increase support and care for children, fund additional disability support services and improve services to indigenous Victorians. Labor also strengthened democracy by reforming the Upper House, enshrining the independence of the Auditor General and the Director of Public Prosecutions, opening up access to government through new Freedom of Information laws and legislating for a Charter of Human Rights.

Labor leaves government with Victoria in good economic shape. The State retains its Triple A rating and every State Budget delivered by Labor had a strong operating surplus. Net debt as a percentage of the State's economy fell from 2.9% when Labor came to power to 2.5% when Labor left office. Under Labor payroll tax was cut from 5.75% to 4.9%, the lowest rate of payroll tax in 36 years. Victorian business also received the benefit of six WorkCover premium reductions, with average premiums now at 1.34%, the second lowest in the country. At the same time Labor was able to restore common law rights to injured workers and provide the best benefits of any State to injured workers.

Labor sought to develop a competitive, innovative and globally connected economy which saw the creation of 681,700 jobs, including 167,400 in regional Victoria. Under Labor Victoria became a centre for innovation, information technology and biomedical research. It's strategies to support major sporting, cultural and arts events and projects such as the Melbourne Convention Centre have made Victoria a sought after destination for tourists and interstate visitors.

Like all long term governments, Labor also made some mistakes. The Party needs to recognise those mistakes and learn from them. Labor also needs to review its policies whilst in government as a starting point for developing the platform it will take to the 2014 State election.

The Future

Labor has entered Opposition in good political shape. It is only two seats away from government. However, it cannot afford to squander its first term in Opposition as the Liberals did between 1999 and 2002. Labor has made a good start by accepting the election verdict and getting on with the job of holding the Baillieu government to account.

The inadequacies of the Baillieu government are proving to be fertile ground for Labor. The Liberal National Coalition went to the election with a set of poorly costed and economically irresponsible policies that are coming back to bite them. The Coalition escaped the necessary media scrutiny of their policies during the election campaign, but that scrutiny is now being applied with increasing rigour and the government has been found wanting. The Baillieu government has tried to place fiscal problems of its own making at the door of its predecessor, but so far this has gained little traction with the business community or economic commentators.

The Coalition came to power with a commitment to reduce State debt, cut taxes and increase investment in services and infrastructure. In the first Coalition Budget debt actually increased. Its future plans to only fund all future infrastructure from Budget surpluses can only result in further cuts to services and lower levels of investment. Far from "fixing the problems and building the future," these policies will cause social harm and damage the economy.

Opposition is a long, grinding road and it is important for Labor to remain disciplined, focussed and united. The ALP cannot afford to be distracted by the polls over the next few years which will reflect the advantages of incumbency for a first term government. Voters will give the new government an opportunity to deliver on its promises. Labor needs to rebuild, be an effective Opposition and ensure that the Coalition does not gain further electoral momentum.

Victoria was once known as the “jewel in the Liberal crown,” reflecting 27 years of unbroken rule by the Liberal Party through to 1982. However, in the last 30 years, this has not been the case. Changing demographics and a professional and competitive Labor Party have played a role in this change. In the 21 State and Federal electoral contests since 1980, Labor has polled a majority of the two party preferred vote on 15 occasions. On the other hand, one term governments are rare in Victoria, the last the Labor government of John Cain Senior, a victim of the Split in 1955. To win in 2014, Labor will need to direct all its energies to listening to the community, addressing key issues and presenting an alternative plan for the future.

LABOR v LIBERAL COMPARISON

Economy

LABOR (1999-2010)

LIBERAL (1992-1999)

Credit Rating

AAA Retained

AAA

New Jobs

681,700 (November '99 to November '10)

250,500 (October '92 to October '99)

New Regional Jobs

167,400

55,300

Infrastructure Investment

\$30 billion

\$7 billion

Net Debt

2.5% of State GDP

2.9% of State GDP

Payroll Tax

Cut to 4.9%, the lowest in 36 years

5.75%

Education

LABOR

LIBERAL

Schools

Invested \$3.7 billion in capital works for more than 980 schools

Closed more than 300 schools

Teachers and School Staff

10,300 more teachers and support staff employed

9,000 sacked

Average Primary Class Size

22.0 (the lowest in the last 37 years since record keeping began)

25.4 (1999)

Year 12 completion rate

87%

82%

Community Safety

LABOR

LIBERAL

Police

Delivered 2,000 net additional police officers since 1999, with a further 1,966 additional frontline police funded over five years in the 2010 State Budget

Promised 1,000 police but instead cut 800 in the 1990's

Crime Rate

Victoria's crime rate has fallen 30 per cent since 2000-01, declining in every year since coming to Government.

Crime grew 10 per cent between 1994-95 and 1999-2000

Health	LABOR	LIBERAL
Nurses	Employed almost 11,000 additional nurses and more than 3500 additional doctors	Sacked 3500 nurses
Public Hospital Admissions	Our public hospitals admitted 1,460,000 patients in 2009-10	Around 1,000,000 patients were admitted to public hospitals in 1999
Elective Surgery Waiting Lists	Reduced the elective surgery waiting list by 7.7 per cent, to 37,194 in 2010 from 40,301 in 1999	Hospital waiting lists increased by 20 per cent to over 40,000 under the former Liberal Government
Elective Surgery Operations	Provided over 155,300 Victorians with elective surgery in 2009-10 – the highest number of operations undertaken in a single year, and 39,000 additional surgeries than in 1999-2000	Inherited a system where some 112,000 operations were being performed each year and left government with only 116,000 surgeries being performed a year
Nurse Patient Ratios	Introduced nurse patient ratios to improve patient care	Stood by and supported John Howard's Work Choices legislation
Patient Transport Assistance	Expanding the Victorian Patient Transport Assistance Scheme to provide greater support to more patients	Fixed VPTAS car rebate levels at 11 cents per kilometre, froze overnight accommodation rebates and introduced co-payment charges for family members and friends escorting patients to medical appointments
Hospital Upgrades	Rebuilt or upgraded over 100 hospitals	Closed 12 hospitals
Health Capital Works	Invested \$7.5 billion in health capital works	Invested just \$855 million in health capital works
Regional Hospitals	Invested \$1.5 billion to rebuild hospitals in regional Victoria	Invested just \$352 million in regional hospitals.
Transport	LABOR	LIBERAL
Transport Plan	\$38 billion Victorian Transport Plan	No Plan
Public Transport infrastructure	1.8 billion for public transport infrastructure in 2009-10 and \$5 billion committed in 2010-2011	In the 1999 State Budget, \$61 million invested in infrastructure
Metropolitan trains delivered	65 six-car trains, 38 more being delivered, with 14 already in service	0 metropolitan trains

Regional trains delivered	110 Vlocity carriages delivered, 24 in production	22 regional carriages
Trams delivered	100 trams, a further 50 trams ordered	32 trams, none in their last five years
New metropolitan services	13,365 weekly services – 2,019 new metro services	11,346 weekly services
Train Lines	<p>Re-opened: Ararat, Bairnsdale, Maryborough, Stawell</p> <p>Built: Regional Fast Rail to Geelong, Ballarat, Bendigo and Traralgon</p> <p>Building: Western Regional Rail Link, South Morang Rail Extension, Sunbury Electrification</p> <p>Planning: Melbourne Metro Tunnel, Cranbourne East, Melton</p>	Closed 6 train lines
Train Stations	<p>Opened 7: Craigieburn, Roxburgh Park, Sydenham, Keilor Plains, Sherwood Park, Wendouree, Coolaroo</p> <p>Building 6: Cardinia Road, Williams Landing, Caroline Springs, Lynbrook, Manor Lakes, Tarneit</p>	Closed 28 stations across the State
Road Improvements	Quadrupled annual funding to improve or upgrade Victorian roads, with \$787 million earmarked for this year alone	In the Coalition's last budget, in 1999, they allocated \$188.5 million to improve or upgrade Victorian roads
Road Safety	Invested in safer roads, safer vehicles and safer driving, Since 2001, the road toll has reduced from 444 to 290, saving 874 lives, including 182 in regional Victoria	Greater tolerance for speeding
Metropolitan Roads	Completed 65 suburban road upgrade projects worth more than \$2.2 billion	In 1999 Budget allocated just \$118.7 million to upgrade suburban roads
Regional Roads	Completed 60 major regional road projects worth more than \$2 billion	In 1999 Budget allocated just \$69.8 million to upgrade regional roads
Cycling	\$115 million Victorian Cycling Strategy	No plans for improving cycling links

Environment	LABOR	LIBERAL
New National Parks	11 national parks and 12 marine parks. Banned cattle grazing in the Alpine National Park	5 national parks. Allowed cattle grazing in the Alpine National Park
Wind Farms Built	8 (428MW)	0-With a new policy to restrict the building of wind farms
Climate Change	Strategy to cut emissions by 20% by 2020	No plan to cut carbon emissions
Social Policy	LABOR	LIBERAL
Women on Government Boards	41%	29%
Tackling Disadvantage	Over \$6 billion invested through a Fairer Victoria Strategy to tackle disadvantage, improve mental health services, increase support and care for children, fund additional disability support services and improve services to indigenous Victorians.	No strategy

REVIEW PROCESS

This Review of the 2010 Victorian State election received 72 individual submissions, 30 from local ALP Branches, 2 from affiliated unions and 6 from other individuals and organisations.

In addition 32 interviews were conducted with key campaign participants, including the former Premier, John Brumby, former Minister's, MP's and government advisers and ALP Head Office staff, including the previous State Secretary Nick Reece.

A Party Forum for ALP members was held in March and attended by around 70 members

The Review also held meetings with defeated marginal seat and inner city MP's, the State Parliamentary Labor Party and Victorian Federal MP's.

The Review also examined all of Labor's internal quantitative and qualitative research and conducted interviews with the Directors of the polling, research and communications companies contracted by the ALP for the election campaign.

Finally, original research has been undertaken utilising public polling data and Federal and State election results.