

# The politics of the budget are still there to be won

**The Nation**  
Voters feel the pain, but the government has yet to explain the gain – as fresh polling shows an electorate still absorbing what the budget means.



Phillip Coorey

Many Coalition MPs who were bracing for a firestorm from their electorates following Tuesday's federal Budget have reported back that there was silence instead.

Not all. Some have reported hostility over slashed family tax benefits and other welfare changes. Anecdotally, however, the majority says that apart from a handful of emails and phone calls to electorate offices, the response so far appears to be one of acceptance. One of the Coalition's senior strategists told this column that despite the budget's tough measures and farrago of broken promises, the broader electorate was always going to give the government greater latitude that it would ever give Labor.

"They have a different way of thinking about us," he said of the voters. "Libs come in and they fix budgets." Moreover, he said when Julia Gillard broke her promise over the carbon tax in February 2011, there already existed a "fundamental level of distrust" with Labor, given the knifing of Kevin Rudd eight months earlier.

In the case of this budget, "they knew they were going to get a job in the arse from the doctor".

So long as there was a benefit involved, being a return to surplus, they were prepared to take said job. Even so, the government is far from declaring victory. While its initial soundings are "solid", there is also a realisation that people are still digesting the information in the budget and working out what it means for them. Not to mention that a horrendously convoluted battle ahead with a Clive Palmer-controlled Senate threatens to drag the issues out for months and possibly culminate in another election this time next year.

On Wednesday night, JWS Research's John Scales and his team conducted focus group polling for *AFR Weekend*, sampling the views of swing voters drawn from the federal marginal Victorian seats of Bruce, Chisholm, Deakin and La Trobe.

Scales believes that when Joe Hockey ditched the post-budget speech Treasury prepared for him to deliver at the National Press Club on Wednesday, and instead spoke off the cuff about the values underpinning the budget, he did so because the Coalition's polling showed what everyone else's did.

"The government had failed to sell in advance the overarching narrative. They



A Clive-Palmer-controlled Senate threatens to drag out issues for months. PHOTO:GLENN HUNT

worked out people hadn't got what this is about," Scales said. One group Scales sampled was composed of retired and semi-retired voters aged 50 and over, another was composed of working-age voters aged 25-59 who were either working full time or at home with dependent children. All were low and middle-income

*In the case of this budget, they knew they were going to get a job in the arse from the doctor*

earners and none was reliant on government benefits as their main source of income. Tony Abbott's forgotten families.

Opinions were mixed but "initial reactions were far more critical than complimentary", the study found. There was "a consistent perception that the government has broken promises" but a lack of understanding "based on limited communication" as to why. "There is certainly a view that promises can be broken if the benefits are warranted but many people do not appear to appreciate

what those benefits are," Scales said.

With the pre-budget process distracted by the WA Senate re-elections and decisions to pick fights over such niche issues as the ABC, Knights and Dames, and Section 18c of the Racial Discrimination Act, Scales said the government managed to lay the groundwork for a "tough budget" but failed to communicate the importance of a surplus to ensure future capacity of a government to deliver funding.

The major complaint was that despite the pre-budget rhetoric about everyone having to do the heavy lifting, the measures were overwhelmingly focused on "those that can least afford it, low-income earners, the young and the elderly". Scales said the voters felt the government "could certainly have been tougher on business and higher-income households, if only to send a very clear signal that everyone is doing their fair share of heavy lifting".

Those at the lower end of the income spectrum were the most critical.

"They've taken money from everyone in society but have let businesses get off with something," was a summary quote from the groups, with "something" being the 1.5 percentage-point company tax cut.

In this context, there was next to no

concern about the deficit tax which will hit incomes over \$180,000 for three years. Labor's polling showed the same thing and Bill Shorten did not even mention it in his appeal to the base during his budget-in-reply address on Thursday night, virtually assuring the measure's speedy passage through the Senate.

It also explains why Shorten targeted the measures hitting those on low incomes.

The JWS Research finds the Medicare co-payment was considered reasonable to impose on high and middle-income earners but not those at the bottom. The 10-visit limit to payments for pensioners was not regarded as adequate protection. The fuel tax increase was seen as reasonable when it was explained the money would be spent on roads, although some believed it should be directed to public transport.

Views on the dole cuts were also divided between those with a strong sense of social justice and those who advocated the "earn or learn" philosophy. Essentially, the politics of the budget are still there to be won or lost.

The research concludes, however, that the "sleeping issue" was the one least mentioned in the budget but which has gained much prominence since – hoiking \$80 billion from school and hospital funding over a decade.

"Those that knew of it typically interpreted it as a ploy to force the states to raise the rate of the GST," the research said. In other words, no-one is buying the line from the government that it is up to the states how to find the lost revenue. "Where are they supposed to get their money from, it's either the federal government or the GST?"

The funding cut – which blindsided the states – may be designed to fast-track a consensus on raising the GST but by trying to force the states to take full ownership of such an explosive decision, rather than share it so everyone has their back covered, risks the opposite occurring.

"People are certainly outraged to hear of the cuts and will more than likely support the state premiers and the opposition and cross-bench parties to block this move in parliament or by other means."

Phillip Coorey is chief political correspondent of The Australian Financial Review.

## A pithy, curt, terse, brief, succinct response from Kevin Rudd

**On the other hand**  
Brevity is the soul of wit, and tediousness that of Rudd's reply to the federal budget.



Rowan Dean

"Mr Rudd, you said it was 'just horrible', but can you tell me precisely which ..."

"Fair suck of the sauce bottle, mate! I cannot be expected to answer your question fairly or indeed with any formal degree of accuracy without reference to what I said or indeed to whom I said it at the time when I was deliberating upon the precise confluence of world events or indeed without reference to the context of the implementational responsibilities."

"But ..."

"After all, my reaction to this dreadful, awful, ghastly and tragic event as a human being – and by 'human' I mean pertaining to those physical and indeed psychological characteristics widely viewed as critical to the normal functioning of an intellectual, emotional and spiritual person such as would be recognised in any theological or indeed philosophical debate regarding man's development as a superior creature on this Earth regardless of your religious sympathies, and by 'being' I obviously refer to an animated state of existence requiring the full use of those attributes and faculties that would otherwise separate a person from a non-functioning but possibly biological existence – so notwithstanding those parameters of discourse let me re-iterate my reaction as a 'human being' to this horrible event and say to you again it was 'just horrible', and my understanding of just how horrible

it was is solely dependent upon certain stimuli and inputs ..."

"But ..."

"No buts or ifs about it. Because the point is this takes us directly to the wider picture, in which it must be remembered that back in 2007 or 08 or whenever all this dreadful, ghastly business began, I personally – and by 'I' obviously refer to myself in the singular, notwithstanding the fulsome culpability of many others – I was of course ensconced in the delicate, lonely, and some might say Herculean task of single-handedly rescuing our nation from the ravages of the Global Financial Crisis, or GFC as it is now known in common parlance, in which it fell upon me – and by 'me' I refer not only to the essential elements of my physical being as we discussed earlier but also, more significantly, to my intellectual and salvatory role as the most popular Australian prime minister of all time – it fell upon 'me' as destiny or the fates or whatever higher power you happen to believe in, it fell upon the afore-mentioned 'me' to devise a way to stimulate the economy in order to ..."

"But ..."

"Please stop interrupting. I do not interrupt you. Nor do I attempt to reconstruct an abstract hypothesis reliant on a series of exchanges when clearly implementational 'responsibilities' – and

by 'responsibilities' I mean the machinery constructed around any form of apportioning ultimate 'blame specificity' when that very same 'blame' may be negated by unforeseen variances – when obviously such responsibilities and culpabilities can only be sheeted home to others more qualified to bear the real burden of blame – and by 'real burden of blame' I refer to the broader mechanisms outside my own level of responsibility – meaning that vexed questions such as 'whose fault was it?' are obviously beyond my competency to answer."

*'I am, quite frankly, exasperated ...'*

"But ..."

"Namely, if X,Y and Z are in some way adjunct to A, B and C then it only follows that those outputs must be confined to the region of G, E and F or possibly even L, M and N. Of course, there is also the additional complexity of the terrain. I assume – and by that I mean it would be my assumption – I assume that any further subsequent and pursuant inputs – and by 'inputs' I refer to any additional complexity that may arise ..."

"But ..."

"Please, allow me to answer you question without constant interruptions. Perhaps if we could agree on a more adequate response mechanism – such as the 'red light green light amber light' approach I myself introduced into the Queensland state Parliament when I was chief of staff many moons ago – then and only then should you feel the urgent need to again interrupt me with trivial asides then such a system of prioritisations would signal your intentions in a more satisfactory manner – and by 'satisfactory' I mean in a manner that doesn't automatically impose significant road-blocks in the mental pathways of discovery that I am attempting to navigate."

"But ..."

"Furthermore, I am, quite frankly, exasperated, disappointed and despairing of such relentless questioning, which clearly stems from the nature of your investigative functions vis-à-vis your comprehension of the fraught nature of the political process – and by 'political' I refer obviously to those aspects of an 'economic' and 'collaborative' nature as well."

"But Mr Rudd, all I asked you for was your response to Mr Abbott's budget."

"That was my response to Mr Abbott's budget."

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