

2022 Australian Federal Election

Teneo Insights / April 2022



The date for Australia's 2022 federal election has been set and voters will be heading to the polls on 21 May. The Government now enters caretaker mode, during which it will avoid major decisions or activities.

Over a long 40-day campaign period, the majority of the Members of Parliament and Senators will remain in their electorates, with only party leaders and senior members of the team travelling the country as part of the campaign.

The governing Liberal-National Coalition has been in power since 2013 with three successive Prime Ministers. The current Prime Minister, Scott Morrison, has led the Coalition since 2018 and is the first Australian Prime Minister to serve a full term since 2007.

Opposition Leader, Anthony Albanese, is a Labor Party stalwart having first entered parliament in 1996. He was Deputy Prime Minister under the second Rudd Government in 2013 and a cabinet minister in the Rudd and Gillard Governments from 2007 to 2013.

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Current polling suggests the Government could struggle to win re-election. Aggregated polls have Labor leading the Coalition on a two-party preferred basis with 59.4% of the vote compared to the Coalition's 45.1%. Labor also leads the Coalition in primary voting intention 39.1% to 34.8%.

Labor, however, remains cautious heading towards polling day. It lost the 2019 election despite showing similar positive pre-election polling figures. Many in Labor attributed that loss to a cluttered, overly ambitious policy reform agenda. In this election, Labor is taking a far more streamlined, moderate approach on policy.

For both sides, there are considerable challenges to forming government outright after the election. For the Coalition to remain in power, it cannot lose one seat. For Labor to win, it needs to gain seven seats. With several high-profile independents running in key marginal electorates, a hung parliament is a real possibility and would force major parties to rely on the support of independent crossbenchers to form government.

What is at Stake in the 2022 Federal Election?

Covid-19 and geostrategic challenges have been key policy drivers for the Morrison Government. The Government suffered some criticism for its management of the pandemic, including for its strict border policies and slow vaccine rollout. But Australia has emerged from the global pandemic well relative to global peers. Mortality rates have been low, and the economic outlook for the remainder of 2022 is strong. This has positioned the Government well on sound economic management, which is the Government's preferred benchmark with voters.

The country's challenging relationship with China has seen national security and defence issues take higher prominence in day-to-day political discourse, driven efforts to diversify

Australia's trade and investment relationships and underpinned the rationale for Australia's growing participation in new and revitalised structures like AUKUS and the Quad. The ongoing situation in Ukraine has again elevated this agenda and highlighted risks in the region, particularly for business.

The Government has lauded the progress it has made on these fronts and said this progress would be at risk under Labor.

The 2022 Budget handed down by Treasurer Josh Frydenberg on 29 March built on these themes, with significant spending announcements on health, defence and cyber. However, the Budget's key takeaway was that the election will be fought on cost-of-living pressures, with measures aimed squarely at the 'kitchen tables and hip pockets' of ordinary Australians.

Labor's Budget reply delivered on 31 March similarly targeted cost-of-living pressures. It took aim at the Government for the role it says the Government has played in suppressing wage growth which, in its view, is the key ingredient needed to alleviate cost-of-living pressures. Another focus of Labor's Budget reply was on aged care, an area where shortcomings have been highlighted throughout the Covid-19 pandemic.

What Would an Albanese Labor Government Look Like?

Labor has framed its election bid around Australia becoming a renewable energy superpower, a manufacturing powerhouse, a skills and education capital of Asia and a society that guarantees secure work, cheaper childcare, and stronger, fairer Medicare and aged care systems.

Albanese has been cautious not to overemphasise his Party's ambitions on climate, which has been a fraught and highly politicised issue in the Australian context. Labor has said it would aim for an emissions

reduction target of 43% below 2005 levels by 2030 – bringing it closer into line with international peers – and wants renewables powering 82% of the country's grid by the same year. Labor has also said it wants to host COP29 in 2024 alongside Australia's Pacific Island neighbours, a goal that would require a rapid ramp up of Australia's performance on climate on the global stage given its widely criticised performance at COP26.

On defence and national security, Labor has sought to deflect claims from the Government that the Coalition is better on national security issues. Mr. Albanese has been careful not to stray too far from the strong bipartisan consensus that underpins much of Australia's national security and defence policy. Rather, he has sought to highlight what he describes as 'waste' and a failure on the part of the Government to deliver on significant defence spending announcements. Mr. Albanese has said a Labor Government would continue to pursue Australia's strategic interests through structures like the Quad and AUKUS, including in relation to China, but it would also focus more heavily on regional engagement with ASEAN and Pacific Island nations, a central element of Labor's foreign policy tradition.

Independents in a Hung Parliament

A unique feature of many of the Independents running in this year's election is that many are women challenging a male member of parliament in a traditional Liberal seat. These women are bringing voters a platform of stronger action on climate change, political integrity and gender equality.

In several key marginal seats currently held by the Government (Wentworth, North Sydney, Kooyong, Goldstein, and Curtin) independent candidates have firmed up as the main opposition. Many are funded generously by the Climate 200 movement, a fundraising vehicle led by prominent clean energy investor Simon Holmes à Court. They have unsettled the Coalition, with Holmes à Court pushing

back on claims that he is leading a de-facto political party.

Australia's last hung parliament resulted in 17 days of bargaining between the independent members and Greens with Labor's Julia Gillard and the Liberal Party's Tony Abbott in 2010. The independent members sided with Julia Gillard in that contest, putting Labor in government. A similar outcome is possible given Labor's stronger stance on climate action.

Another possibility is independent candidates siding with the Coalition but insisting on a new Coalition leader as a condition of their support. This outcome, while unlikely, is not without precedent in Australia.

The 47th Parliament of Australia

Irrespective of this May's election outcome, the themes that have dominated the 26th Australian Parliament will continue to reverberate in Australian policymaking.

A newly elected government will have to continue to manage the fallout from the pandemic, wind back record budget deficits, manage supply chain disruptions, keep a lid on inflation and manage cost-of-living pressures against the backdrop of a decade of low wage growth and the strongest jobs market in 50 years.

Australia's geostrategic environment will continue to be challenging and will likely become more so as time goes on. Business will continue to be encouraged to adapt accordingly.

For Labor, it has been a long time in opposition. For the Coalition, it has been a long time in government. Either outcome following 21 May will carry its own challenges, opportunities and risks for the 47th Parliament of Australia.



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