

A Cost of Living Election

Policy Briefing for Independent Candidates

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Confidential

Cost-of-Living Campaigns

Cost-of-living concerns are powerful drivers of voting behaviour. Financial insecurity represents a loss of control that causes anxiety and uncertainty. It's a daily stressor that can trigger feelings of shame, fear, and vulnerability that activate conservative responses.

1. Voters seek someone to blame beyond themselves or "economic conditions".

This allows them to displace uncomfortable feelings of fear and vulnerability with more empowering emotions like anger. It is more empowering to believe *someone* is doing *something* to create a problem - because they can be stopped. Immigrants, unions, and wasteful government spending are common scapegoats.

2. Voters look for leaders who represent security, stability, and confidence.

This isn't a policy question - it's about personality, presentation, and narrative. Voters will gravitate toward candidates with simple promises that don't make them think too hard. "Restoring the way things were" is a powerful narrative for anxiety, partly because people find it easier to remember than to imagine. People respond to confident language - e.g. "secure" borders, "strong" economies, "tough" on crime.

All of this presents a challenge for Australia's community-backed independents. The promise surrounding *all* community independents last election was a simple combination of a promise to "do politics differently" and "send a message to the Liberals."

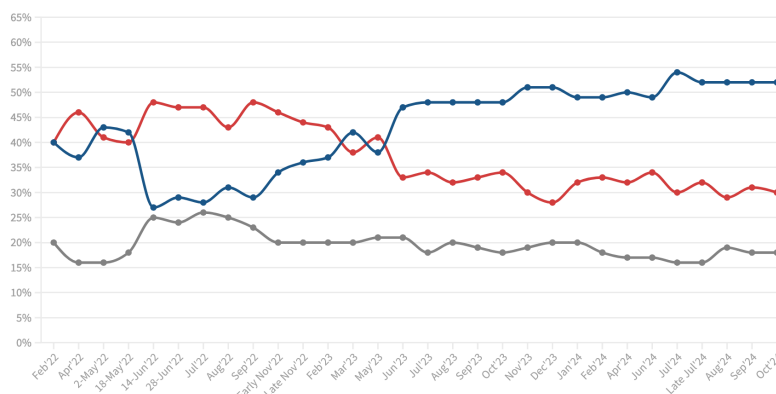
Like all the best campaign messages, these messages were authentically true, and broad enough that people could project their own meaning onto it. For climate voters, it was an opportunity to send a message to the liberal party in formerly safe seats. For people fed up with political parties, it was a way of shaking things up. Positive, intelligent female candidates offered reckoning for Morrison's fumbling of women's issues over many years.

This time around, that same message won't work, especially for incumbents. Voters have decided since 2022 that Australia is on the wrong track. Independents on small margins may end up collateral damage to a desire to "go back to the way things were." "Politics done differently" may end up carrying new meaning for voters: instability and uncertainty.

National mood (Trend)

Q. In general, would you say that Australia is heading in the right direction or is it off on the wrong track?

■ Right direction ■ Wrong track ■ Unsure



The Coalition has revealed its intention to make this election about security vs. instability. This theme underscores both its policy priorities and its message positioning.

- **Tying the ALP to the cost of living crisis:**
 - Interest rate increases caused by **out-of-control** government spending
 - A housing crisis caused by **unsafe** immigration and **weak** borders.
 - High energy costs due to **reckless** energy policy and **unstable** weather-dependent renewables.
- **Making the case that independents represent uncertainty:**
 - Voters shouldn't **risk** the **chaos** of a hung parliament.
 - Teal candidates are **weak** on security.
 - Teal candidates are **funded by billionaires** and are **hiding something**.

This message should not be underestimated. It could successfully shift votes and preferences in ways that favour institutional conservatives over “feel good” alternatives. It has the megaphone of national media, and the Liberal campaign budget behind it.

Peter Dutton is also not the albatross many progressives think. He's a strong communicator with a confident message suited to this moment. He started the year with a net approval of -5% and has since made a double digit turnaround to sit at +6%.

The strength of this message won't immediately show up in voting intention. For now, people can respond to the Liberal message without making an electoral *choice*. They can hold multiple perspectives without dissonance. But when voters reach election day, they will be forced to consider the implications of the stories they accept as true.

Countering this narrative requires more than policies that address cost-of-living concerns. People don't vote on policies - or policy details. This is especially if they come to doubt the ability of candidates to be in a position to implement them.

Independent candidates must think carefully about how they position their campaigns, their overarching message, and the tone of their communications.

This briefing paper offers some thoughts on how community independents can locate an authentic message that enables their campaigns to respond powerfully to this moment.

An independent message on cost-of-living

The strength of independents is their **authenticity**. If they start to look calculated, superficial, or focus-grouped - they lose their most powerful brand advantage. It's not enough to work backwards from voter preferences, without genuine attention on the issue.

This means there is no universal approach to engaging with the Liberal cost-of-living frame. It needs to emerge from the electorate profile, candidate preferences, and specific campaign strategy. **But there are a few key ingredients to developing a winning message:**

1. Engage with the *feelings* and *values*, not just the issue.

In Principle: Candidates need to show they **understand** the problem. Voters care less about policy detail than having their experience understood, validated, and reflected back to them. Stories of real constituents who are struggling demonstrates both awareness of the problem, and empathy for it. **Hearing other people's challenges also removes some of the fear and shame** - reducing the need to blame shift, and encouraging a community response.

Candidates to anchor people back to simple values statements that reflect a common understanding of the world as it should be, **"We used to be able to buy a house and feed a family on a single income.** Today, many families have two incomes but still can't get ahead."

In Practice: Foreground diverse local spokespeople through vox pops, and advertising.

- Cafes trying to keep prices down for customers but struggling themselves.
- Parents with grocery bags talking about their household budget changes.
- Students with entry level jobs that don't pay them enough to move out.
- Prioritise stories over statistics.

2. Identify the most strategic "villain".

In Principle: People have loosely held opinions about the cause of inflation. This creates space to emphasise the drivers that imply our solutions. This is called *heresthetic* - combining issues to manipulate the debate toward a favoured solution. Dutton is doing this by using the salience of housing affordability to imply a solution in cutting immigration.

In Practice: People like a story in which *someone* is doing *something* to make life harder. It's important we name the villain, to allow voters to be the hero. Candidates should distance themselves from the ALP on *process* - they're **not listening**, they **move too slowly**, or **have the wrong priorities**. Make it about the party structure, rather than the politics - to help attract disaffected ALP voters swinging to the Libs. Candidates may also wish to emphasise:

- Things are getting worse, because **real people have been shut out of politics**.
- Big parties won't reign in the **corporate donors** who fund them.
- A **supermarket duopoly is price-gouging consumers**, without paying farmers fairly.
- Big banks and **insurance companies are raising rates**, while cutting services.
- The same energy companies that **increase your bills**, still manage to pay zero in tax.
- The government has **let Medicare languish**, making it harder for doctors to bulk bill.

3. Make independent voters the *hero*.

In Principle: Voting independent *is* the policy solution that unlocks all other solutions. More important than any specific policy, is the *story we tell* about our ability to **stand up for everyday people**, and **achieve real change**. Electing candidates who are **real people**, who **aren't afraid to fight for their community**, to **win a better deal in Canberra**.

This makes independent voters the hero of the story, with the power to change things. It positions "voting independent" as the disruptive force people are searching for to finally get the country back on track. This message should be **confident and confrontational**. It should reflect people's frustrations with where things are. People won't share your optimism about what's possible, unless you share their view of what currently is.

It's vitally important that we tell your own story, consistently. You can't rebut messages, you can only draw attention to them. If they attack us, we **never repeat their frame**, we pivot back to our story: the major parties will say anything, and smear anyone to cling to power - they're worried about **real people standing up to win a better deal for their communities**.

In Practice:

- Independents **fight for their community**, not their own career advancement.
- Everyday people are **taking control of the system**, to bring **real change**.
- In this parliament, we need to make sure **real people have real power**.
- The **same tired two parties that caused these problems**, won't be able to fix them.

4. Suggest a better way forward.

In Principle: People don't want or need detailed policy treatises. The policy details of the major parties would fit on a palm card. What people are looking for from policy is a simple internal logic - a mental model for thinking about a problem and solution that is intuitive, and that can be repeated to their friends.

The ALP are *terrible* at this, the Liberal party are *very good* - e.g.

- **"Diversification helps manage risk.** Renewables are unreliable and weather dependent. Nuclear power will diversify our technology, so we have power 24/7."
- **"Price is about supply and demand.** We'll cut immigration to ease demand, and invest in infrastructure to unlock new supply."
- **"Price is about supply and demand.** Too much wasteful government spending is putting pressure on prices. We'll reign in spending so interest rates come down."

In Practice:

- Lean into some version of the frame "Independent thinking".
- Showcase **community policy development** - [this is a great example](#).
- **Connect the candidate to the solution** where possible - [this is a great example](#).
- **Opt for fewer, simpler policies** with familiar mechanisms.

Narrative	Their Story	Our Story
Problem	Everyday people are struggling.	Real people have been shut out of politics for a long time and things have been getting harder.
Villain	<p>Labor has mismanaged the economy.</p> <p>Their border policy pushes up house prices. Their renewables plan pushes up energy bills. Their wasteful spending pushes up interest rates.</p> <p>We can't afford three more years of Labor.</p>	<p>The big parties answer to lobbyists and corporate donors who are making record profits by lifting prices, not paying workers fairly, and making it harder for small business to compete.</p> <p>We need representatives who fight for our communities - not ones who protect their donors and scapegoat our neighbours from overseas.</p>
The Hero	We'll get Australia back on track by strengthening the border to ease the housing crisis, creating jobs by building cheap nuclear energy, and restoring responsible economic management.	<p>That's why all across the country real people are taking back control - by electing independents who answer only to them.</p> <p>Real people need real power to win a better deal for our families and communities.</p>
Independents	<p>Independents vote with Labor and the Greens. They're backed by a climate billionaire.</p> <p>We can't trust the chaos of a hung parliament.</p>	<p>The major parties are terrified of losing their stranglehold on power - which is why they're spending big to smear independent candidates.</p> <p>But voters know the same two-parties that created these problems, can't be trusted to fix it. Only independent thinking will produce real solutions.</p>
Solutions	<p>Inflation:</p> <ul style="list-style-type: none"> • Lower spending and lower taxes. • Penalties for anti-competitive behaviour. <p>Housing:</p> <ul style="list-style-type: none"> • \$5 billion to unlock new housing. • Freeze red tape on construction. • Ban foreign investors in housing. • Reduce permanent migration. <p>Energy:</p> <ul style="list-style-type: none"> • Nuclear for good jobs and cheap energy. • More domestic gas supply to lower prices. 	?

Cost-of-Living Solutions

One of the big challenges when it comes to cost-of-living policy is that our understanding of inflation is pretty simplistic. An average basket-of-goods doesn't reflect the way [prices have increased since 2022](#) for people in different situations.

- People in disaster prone areas will be more impacted by insurance costs (+37%).
- Elders will be impacted more by healthcare (+13.8%) than entertainment (+10.8%)
- Parents of kids in primary (+3.7%) are different to parents of highschoolers (+10.4%)

Another challenge is that the causes of inflation are many, and the way it impacts people is nuanced. By contrast, the policies we rely on to address inflation are mostly *blunt*.

- **A single official interest rate applies across our financial system** regardless of where you live, what industry you work in, or the purpose you're borrowing for.
- When interest rates go up, **indebted households on lower incomes are worse off**.
- **Low skilled workers are the first to be let go** when demand eases.
- Rebates can be captured by businesses who enjoy too much market pricing power.

Put another way, many of our cost of living policies actually make the cost of living worse!

What does a good cost of living policy look like?

Policy Characteristics:

- Impactful - Materially improves the standard of living for households.
- Efficient - Doesn't unintentionally distort behaviour.
- Targeted - Addresses underlying causes of inflation without blunt impacts.
- Intuitive - Easy to understand, and relies on familiar mechanisms.
- Popular - Enjoys widespread support from voters.
- Credible - Literature to support it if pushed for details.
- Differentiated - Distinct and different approach to the majors.

Campaign Characteristics:

- Strong Narrative - Independent thinking produces real solutions.
- Supports Strategy - Persuasive to voters we need to shift.
- Locally Relevant - Relevant in the places we need to win votes.
- Candidate Preferences - Aligned with candidate's views, experience and interests.

1. **Lower interest rates for first home owners:** Help people achieve the promise of home ownership, while keeping pressure on inflation.

People buying their first home shouldn't pay the same rate as investors buying their fourth. Governments have ways of creating different tiers of interest rates that aren't being used.

The wonky name for this is "qualitative credit regulation". Our central bank agencies like APRA already use these tools to address financial risks. But they can also be used to lower interest rates for certain borrowers, without taking pressure off inflation.

- **First Home Buyers:** We can force banks to provide concessional interest rates for first home buyers to allow younger people, on lower incomes, to buy their first home without putting pressure on house prices.
- **Making housing a less attractive investment to reduce price pressure:** We can also require banks to charge higher interest rates for additional investment property purchases to make housing a less desirable investment, creating less demand and competition and slowly bringing down prices.

Why is this a good campaign policy?

- People understand how interest rates work - it doesn't need explanation.
- 61% of people think the Reserve Bank has overreacted on interest rates.
- Interest rates are one of few cost of living issues where voters trust Libs over ALP.
- It doesn't have a fiscal cost to be justified, it's a regulatory change.
- No one else is talking about it - it's thoughtful, credible, and different.

What are some of the risks?

- Requires the government to legislate in ways that impact central bank independence.
- Argument that this involves the government picking and choosing winners.
- Questions about *how* much lower we can make them.

Where have similar things been done?

- [NZ government](#) legislation to use macro-prudential tools for housing affordability
- Use of macro-prudential policies are [on the rise](#) among advanced economies.
- [Comprehensive studies](#) have shown them to be effective in reducing house prices.

Potential spokes: Jonathan Mott, Barrenjoey

2. **We should be able to see a GP for free:** Preventative healthcare should be accessible no matter our bank balance.

We used to live in a country where no matter your post-code, when you got sick you could see your local GP for free. But **years of underfunding by both of the major parties** has meant that doctors around the country have been forced to stop bulk-billing.

GP's are the backbone of our healthcare system. They know our medical history, our personal circumstances, and often our kids' names. Yet the number of junior doctors interested in general practice has dropped from 50% in the 1980s to just 13% today.

Increasing the GP co-payment by 50% and tying it to inflation moving forward, will let our local doctors focus on their patients, instead of keeping the lights on. And if a \$60 visit to the GP can prevent a \$600 visit to the hospital - it makes sense to ensure people don't need to check their bank balance before booking a check up.

Many of our seats are among the lowest in the country in terms of bulk-billing coverage of patients. This makes them great local campaigns with no shortage of local spokespeople.

Electorate	% Patients fully bulk-billed	Cf. National Ave (65.1%)	Rank (/151)
Wannon	54.62	-10.6	111th
Farrer	53.9	-11.3	116th
Mackellar	49.16	-16.0	124th
Indi	49.55	-15.6	132nd
Macnamara	49.16	-16.0	133rd
Kooyong	48.9	-16.3	137th
Wentworth	44.17	-21.0	141st
Goldstein	42.91	-22.3	143rd
Warringah	42.18	-23.0	144th
Curtin	37.66	-27.5	148th

What will it cost? ~\$1.5bn

How do we pay for it? Spending on GP visits saves money on emergency department visits

Why is it a good campaign policy? Everyone has felt the decline in bulk billing. This policy pushes to the left of the ALP, but is uncontroversial, popular, and has the support of the RACGP. Opportunity to get local GP's and family doctors involved as spokespeople.

Appendix: Measuring the cost of Living Crisis

Cost of Living	“Financially comfortable”	“In serious difficulty”
June 2022	61%	39%
September 2024	48% (-13%)	52% (+13%)
NB: Surveys like this understate the political impact of changes. People are sensitive to the financial wellbeing of their friends, family, coworkers and clients as well as media narratives. Financially comfortable people may still experience anxiety and uncertainty.		

Area	Prices Since Election	Wages Since Election	Real Cost Increase
Sydney	+13.02%	+8.28%	4.74%
Melbourne	+12.16%	+7.68%	4.48%
Adelaide	+14.59%	8.23%	6.36%

Groceries:

Ms Brianna Casey, Chief Executive Officer of Foodbank: *“Fifty-four—that’s the percentage of food-insecure households in Australia with someone in paid work. A job is no longer a shield against a cost-of-living crisis. Five hundred thousand—that’s the number of households that will struggle to put a meal on the table tonight.”*

Oz Harvest’s website in March 2024 stated: *“Demand for food relief is higher than ever. The charities OzHarvest support reported a 73% increase in demand in the last 6 months. 46% of these charities cannot meet the current demand and reported that 31% of the people they support are seeking food relief for the first time.”*

Housing:

Roy Morgan: *The number of Australians ‘At Risk’ of mortgage stress has increased by 766,000 since May 2022 when the RBA began a cycle of interest rate increases. The number of Australians ‘At Risk’ of mortgage stress (1,573,000) is at a record high. The number of mortgage holders considered ‘Extremely At Risk’, is now 1,043,000 (20.5%), significantly above the long-term average over the last 15 years of 15.3%*

Limitations of current solutions:

The primary mechanism we have for addressing inflation is the use of monetary policy and interest rates. But it imposes significant costs on households. Higher interest rates reduce disposable income, business investment, and household spending - which leads to lower growth, lower incomes, and higher unemployment. **This works to balance prices on the backs of everyday people.**