A crisis of trust
The rise of protest politics in Australia

Danielle Wood and John Daley
A crisis of trust: The rise of protest politics in Australia

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Overview

Australian voters are seeking change. The vote share of minor parties has been rising since 2007. At the 2016 election it reached its highest level since the Second World War. More than one-in-four Australians voted for someone other than the Liberals, Nationals, ALP or the Greens in the Senate, and more than one-in-eight in the House of Representatives.

The major parties are particularly on the nose in the regions. The further you travel from a capital city GPO the higher the minor party vote and the more it has risen.

The minor party vote is mostly a protest vote against the major parties: a vote for ‘anyone but them’. Voter disillusionment with the political establishment is not just an Australian phenomenon. ‘Outsider politics’ is also on the rise across other developed nations. The Brexit vote in the UK and Donald Trump’s win in the 2016 US presidential election are just two recent examples.

So why are Australian voters angry? And why are they particularly angry in the regions?

Falling trust in government explains much of the dissatisfaction. Minor party voters have much lower trust in government than those who vote for the majors. And since the minor party vote began to rise in 2007 there has been a significant increase in the share of people who believe politicians look after themselves and government is run by a few big interests. More than 70 per cent of Australians think our system of government needs reform. Voters are choosing parties that promise to ‘drain the swamp’.

Economics alone is less important. The largest increase in support for minor parties in Australia came during a period of strong wages growth and stable inequality. And economic insecurity can’t explain the widening city/regional voting divide: the regions are keeping pace on most indicators of individual economic well-being.

But the overall loss of economic and cultural power in the regions looms large in regional dissatisfaction. Regions hold a falling share of Australia’s population, and consequently their share of the nation’s economy is shrinking. Australia’s cultural symbols are becoming more city-centric – from mateship to multiculturalism, Man from Snowy River to Masterchef, what it means to be an Australian is changing. Concerns that ‘the world is changing too fast’ are higher among regional voters, as are concerns about immigration.

But cultural anxiety is not restricted by geography: there are a swathe of minor party voters in the cities and regions who are unhappy with the way the world is changing. These voters place more emphasis on tradition and ‘the Australian way of life’. The rhetoric and policies of some minor parties tap into these values.

Politicians seeking to stem the flow of votes to minor parties need to respond to these push factors. Rebuilding trust will be a slow process. A period of leadership stability and policy delivery could go a long way. But improving political institutions – reforming political donations laws and improving the regulation of lobbying activities, for example – could help reassure the public that the system is working for them.

Politicians should also seek to dampen rather than inflame cultural differences. Language and symbols matter in these debates. Politicians can take a positive leadership role in stressing the common ground between city and country and between communities with different backgrounds.
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1 Introduction

This report examines the rising support for minor parties in Australia, and the parallels to the rise of ‘outsider’ parties in other developed nations. It also investigates geographic shifts in voting in Australia: the share of votes for minor parties is higher and is rising faster in regions further from the big cities.

The goal is not just to document but to explain the rise of outsider parties. Many explanations have been advanced as to why the vote share of minor parties is growing and why major parties are particularly on the nose in regional areas. But no Australian study has yet used the full range of economic, attitudinal and voting data to understand the phenomenon. Without an empirically grounded sense of ‘what’s going on’, it is difficult to work out the best policy response, if indeed any is required.

Our analysis focuses on recent political history: we analyse changes in Senate voting behaviour in the 12 years (5 elections) from 2004. This period was characterised by a very large increase in the minor party vote. However, it should be seen within the context of a longer-term trend of increased voting for minor parties since the Second World War (Box 1 on the following page).

There are also similarities with voting patterns in other developed nations (Chapter 2). This suggests that rising disillusionment with the major parties reflects forces beyond the policies and personalities of individual election contests, and the varying economic fortunes of individual countries.

This chapter briefly explains the framework we use for trying to understand the rise of minor parties in Australia.

1.1 Why should policy makers care about the rising minor party vote?

The growing minor party vote is democracy at work. Changes in voting patterns are clearly of interest to political scientists and politicians, but why should policy makers care if Australians increasingly choose to support minor parties at the ballot box?

The most commonly cited reason is it can make legislating policy change more complex. It is rare for parties that form government to control the Senate. Indeed, for most of the period since 1955, governments have had to gain the support of one or more independent or minor party senators to pass measures through the Senate.¹ In the House of Representatives that is much rarer: prior to the hung parliament in 2010, the previous minority government was in 1940.²

But minor parties holding the balance of power is not necessarily bad for policy making. Minor parties can improve or hinder the policy making process, depending on the circumstances and the approach of the parties involved.³ At the very least, minor parties can give a voice to issues that are important to the public but have been overlooked or marginalised by major parties (Box 4 on page 27).

And despite constant media handwringing about ‘chaotic hung parliaments’ and the ‘dysfunctional Senate’, Australians are voting with open eyes: the previous record-high vote for minor parties in 2013 came after

¹. Sharman (1999).
Box 1: A short history of the rising minor party vote

The minor party vote in both the Senate and the House of Representatives reached its highest point in recent history in the 2016 election. More than one-in-four Australians voted minor in the Senate, and more than one-in-eight in the House of Representatives (Figure 1.1).

The minor party vote vacillates according to the politics and personalities of the day. Previous peaks in the minor party Senate vote coincided with peaks in support for high-profile minor parties: the Democratic Labour Party (11.6 per cent) in 1970, the Australian Democrats (12.6 per cent) in 1990, and One Nation (9.0 per cent) in 1998. Of course this raises the question of what social, economic and political factors led to the rise and demise of these parties.

But beyond the ‘noise’ of individual elections, there is a clear increase in the tendency of Australians to vote for minor parties since 1949. The Senate vote for minor parties has exceeded 20 per cent in three elections of the past seven elections, a level not reached in the previous 40 years.

We have defined the Greens as a major party in this report because our analysis focuses on the post-2004 period (Box 2 on page 10). If we instead treat the Greens as a minor party – which makes more sense in a longer-term analysis – the upward trends in the minor party vote would be even more pronounced (Figure 1.1).

Support for minor parties in the Senate has always been higher than for the House of Representatives. Political scientists suggest this reflects ‘strategic voting’: some Australians deliberately check the power of the elected government by voting for a minor party in the Senate.\(^a\)

In the past two federal elections, the ‘gap’ between the minor party vote in the House of Representatives and the Senate was higher than at any point since 1949.

This may suggest a growing appetite among voters to limit the power of major parties (Chapter 6).

Figure 1.1: The minor party vote at federal elections has risen over time

Vote for minor parties, by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Senate (Greens as minor party)</th>
<th>House of Representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1955</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1965</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1975</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1985</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1995</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2005</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Notes: Minor parties are defined as all parties other than the Labor Party, the Liberal Party, the Nationals (formerly the Australian Country Party and the National Country Party), the Queensland LNP, and the Greens (except where explicitly noted).

Source: Data provided by Antony Green.

\(^a\) Bowler and Denemark (1993).
the 2010 hung parliament in which the Gillard government controlled neither the House of Representatives nor the Senate. A 2014 poll for the Australian Institute found 48 per cent of voters considered that the government not holding a majority in the Senate was ‘a good thing’, 30 per cent were neutral, and only 22 per cent thought it a ‘bad thing’.4

Another possible downside of the rising minor party vote is that it may be less clear to Australians precisely what they are voting for. Policy statements from minor parties tend to be very brief or focused on a small number of issues that are of special interest to the party. For example, most minor parties had almost nothing to say on education policy leading up to the 2016 election, but were instrumental in supporting the government’s education funding changes in 2017. More votes going to minor parties may mean less policy being formed with a clear voter mandate.

Another risk is that poor policies are introduced by the major parties in the name of appeasing disillusioned voters. Of course, politically expedient policy making is nothing new. But it is a bigger worry if it is based on a misdiagnosis of voter concerns. Without a better understanding of what is driving voters away, the major parties risk making increasingly expensive policy offers to an underwhelmed electorate. We risk both bad policy and bad politics.

1.2 The framework used in this report

There are two threshold issues in seeking to understand the growing minor party vote.

First, is it a vote for the minor parties or a vote against the major parties? In other words, do minor party policies/ideologies better reflect the preferences of their voters? Or are their voters simply seeking to express their displeasure at the political establishment? Of course, voting choices are complex and may be informed by a combination of social context, party loyalty and assessments of self interest.5

Ultimately we assume that voters casting a ‘vote for’ a minor party do so because that party offers one or more policies that better match their preferences than those of the alternative parties.

A ‘vote for’ minor parties and a ‘vote against’ major parties may not be mutually exclusive: a voter might choose to protest by supporting a minor party, but choose which minor party based on policy or ideology. However, this report is primarily interested in the threshold question of what drives a person to choose to vote for a minor party.

Second, what are the root causes of the rise? What are the economic, social/cultural, and institutional factors that explain growing disillusionment and fragmentation? Figure 1.2 on page 11 summarises these threshold questions along with some of the causes that are commonly discussed when seeking to explain the rise.

In assessing which of these factors might count as a good explanation for the rise in minor party vote we use several criteria:

4. Australia Institute poll of 1400 Australians cited in Prosser and Denniss (2015, Table 5.1).

5. Political science offers many theories of voter behaviour which might describe the trigger to vote for a minor party as either ‘push’ factors (vote against majors) or ‘pull’ factors (vote for minors).

**Michigan theory** emphasises the role of party identification: party structures provide a political ideology, values and rituals that engender loyalty amongst voters. Campbell Angus and E.Donald (1980). On this theory, as trust in parties falls and party allegiance weakens, voters are pushed to vote for minor parties, as discussed in Chapter 6.

**Sociological theory** emphasises the importance of the social context of the individual: social status, political persuasion of friends and family. Berelson et al. (1954). The role of culture and group identification in pulling people to vote for minor parties is discussed in Chapter 5.

**Rational voter theory** posits that voters are motivated by their personal interest: they compare the expected return for voting for the incumbent with the expected return for voting for the opposition. Downs (1957). The role of economic factors in pulling people to vote for minor parties is discussed in Chapter 4.
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- Does the explanation correlate with the rise in the minor party vote (over time and across geography)?
- Does it align with the views of the voters who are choosing to vote for the minor parties?
- Is it a concern reflected in the policy platforms or the voting history of the minor parties?

In other words, a good explanation for the general rise in the minor party vote would align shifts in public attitudes with the big jump in the minor party vote in 2013, would be a prominent issue in many minor party platforms, and would be a more significant issue for minor party voters than for others.

Similarly, a good explanation for the widening regional-city divide in the vote for minor parties would correlate with the steady increase in the minor party vote in the regions from 2010, would be a prominent issue in minor party platforms, particularly those with a strongly regional vote, and would be a more significant issue for regional voters than for others.

As the remainder of this report will show, some of the commonly advanced theories for the rising minor party vote fail to meet any of these criteria.

1.3 The language of politics and political scientists

In any survey of the electoral landscape it is impossible to avoid some of the lingo of the political scientists.

Many of the terms, such as ‘elites’, ‘cosmopolitanism’ and ‘populism’, are hard to define and are used differently by different commentators. For the uninitiated, we have set out some brief explainers in Box 3 on page 13. Where these terms are used in the report, we have tried to be consistent with these definitions.

Box 2: The Greens: major or minor party?

In Australia, the Liberals, Nationals and Labor are almost always defined as major parties. The Greens are more debatable but given the focus of this report – understanding the rise in the minor party vote since 2004 – it is more illuminating to group the Greens with the major parties.

Since the 2004 election the Greens have maintained a strong national presence: they have received at least 7 per cent of the Senate vote across Australia and held at least four Senate seats. And while traditionally a protest party, the Greens do not seem to be tapping into the broader discontent which we document in this report. Indeed, their first-preference Senate vote was only slightly higher in the 2016 election than in 2004 (Figure 1.1).

Further, the economic, cultural and trust issues that we identify as activating voters for the other minor parties do not appeal so much to Greens voters who are typically motivated by a different set of concerns. Drilling down into these is beyond the scope of this report.

Nonetheless, when defining the Greens as a minor party would make a substantive difference to the analysis (for example, the geographic analysis of the minor party vote) we note this in the text.
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Figure 1.2: Understanding the growing minor party vote: a framework

Rising minor party vote (particularly in regional areas)

Vote for
Minor parties reflect policy preferences

Vote against
Disillusionment with major parties

Economic factors

- Stagnating income growth
- Inequality in income and wealth
- Job insecurity

Social/Cultural factors

- Loss of personal status
- Loss of community power
- Concerns about immigration

Institutional factors

- Falling trust in government and institutions
- Falling trust in political parties
- Changing media landscape

Source: Grattan analysis.
1.4 The data used in this report

To examine the rise in the minor party vote we use a range of survey and polling data, as well as economic and demographic data and material from focus groups, and our own regional consultations.

In order to understand the attitudes of minor party voters and how they might be different from voters for the major parties we draw particularly strongly on data from the Australian Election Study (AES) and the Scanlon Foundation Social Cohesion Surveys. We also use data from Essential Research, the Political Persona Project, the ABC’s Vote Compass, and the ABS Australian Marriage Law Postal Survey. For a description of the sampling and methods used by these studies, see Appendix A.

Sample size issues limit the extent to which we can identify attitudes of voters for particular minor parties and comparisons between them. Because of these issues we place more weight on findings that appear to be consistent between the surveys listed above.

1.5 The structure of this report

The rest of this report is structured as follows:

Chapter 2 establishes the trend of a growing minor party vote in Australia and overseas, and highlights that the minor party vote is higher and is rising faster in regions further from big cities.

Chapter 3 explores whether the growing minor party vote reflects policy preferences or disillusionment with the major parties.

Chapter 4 examines whether economic factors such as slow income growth or rising inequality are likely to explain the increase in the minor party vote.

Chapter 5 considers the role of societal change and social attitudes in shaping voting behaviour.

Chapter 6 looks at voter views on Australia’s system of government and institutions, and how these align with the rise in the minor party vote.

Chapter 7 discusses the implications for policy makers.
Box 3: Political science terminology: an explainer

**Cosmopolitanism** – Cosmopolitans see themselves as ‘citizens of the world’. They believe in universal human values and value diversity. Cosmopolitanism embraces responsibility to all humans, not merely to those in the same social groups.

**Elites** – Elites are small groups of people viewed as wielding disproportionate amounts of power. Like beauty, elitism is in the eye of the beholder. Those on the right often label people in the media/cultural industries ‘elite’, whereas those on the left focus on business and those with extreme wealth – the so-called ‘1 per cent’.

**Minor parties** – Minor parties are parties that attract a relatively small share of the vote. There is no hard-and-fast rule as to the vote-share or number of seats before a minor party crosses the line into major party status. In Australia, the Liberals, Nationals and Labor are almost always defined as major parties. This report defines the Greens as a major party unless explicitly noted (Box 2 on page 10). All other parties and independents are defined as minor parties.

**Nationalism** – Nationalism is a commitment to one’s nation and to its people, culture, and values. Nationalists see patriotism as a virtue, and believe in promoting the interests of fellow citizens ahead of the interests of foreigners. Nationalists tend to favour protectionist economic policies and strictly controlled immigration.

**Political correctness** – Political correctness (PC) refers to the use of deliberately ‘soft’ or euphemistic language to avoid giving offence. Those who criticise political correctness also tend to define it as political ‘spin’, aversion to offence, or a departure from frank and honest dialogue. Populist figures often position themselves as anti-PC, fighting against a growing wave of victimhood and offence-taking.

**Populism** – Populists claim to speak for ‘the people’ or the silent majority. Populists reject the political establishment/elites: they want to ‘drain the swamp’. Populist parties can sit on the left or right of the mainstream. Individuals within the mainstream parties sometimes adopt the populist communication style: simple solutions to complex problems, direct language, an appeal to common sense, and identification of ‘enemies’.

**Social liberalism** – Social liberalism is a political philosophy that embraces the market economy and individual liberty, but supports a role for government (including redistributive taxation) in addressing economic and social issues. In this report, we focus on social liberalism in the context of demands for expansion of civil and political rights – for example, same-sex marriage.

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c. Cabrera (2010).
d. Lind (1994).
e. Haidt (2016a).
g. Fingerhut (2016); and Latham (2002).
h. Akkerman et al. (2013).
The 2016 federal election crystallised a trend in Australian electoral results. In the Senate and the House of Representatives the vote for minor parties reached the highest level since the Second World War. This long-term shift towards voting for ‘outsider’ parties has accelerated in the past decade.

And geography has emerged as a growing political divide. While voters in regional areas have always voted more for minor parties, the vote is rising faster in regions further from big cities (Figure 2.1). Regions also tend to have lower income, education and migration levels: demographic variables that also correlate with the minor party vote.

The minor party vote is split between many different parties. And while individual parties come and go, the overall minor party vote has increased over the longer-run. These trends are similar in other developed economy democracies: established parties of the centre are losing votes to outsiders, and more so in regions further from the large cities.

2.1 The minor party vote is growing

The minor party vote in the Senate has increased rapidly since 2004 (Figure 2.1).

In the 2016 election, first-preference Senate vote for minor parties exceeded 26 per cent: the highest level in at least 60 years and 15 percentage points higher than in 2004 (Figure 1.1 on page 8).

The 2016 election was somewhat different to previous elections because it was a double-dissolution election and because of the
introduction of partial preferential voting for the Senate. But these changes are unlikely to have materially changed first-preference votes. The rise in the minor party vote has come at the expense of Labor and the Coalition (Figure 2.2). The Greens’ Senate vote barely changed between the 2004 and 2016 elections.

2.2 The minor party vote is growing faster in regional areas

The large parties – Liberal, National, Labor and Greens – remain dominant in the fast-growing centres of Australia’s capital cities. But as one travels through outer suburbs and towns close to capitals, to more remote regions, the minor party vote becomes steadily larger (Figure 2.1 on the previous page).

If the Greens were instead defined as a minor party, the chart resembles a ski jump: slightly higher in the inner-city, falling away in the middle and outer-suburbs and then climbing in the regions.

While the minor party vote has lifted across the country, it has lifted much higher in electorates further from the General Post Office (GPO) of each state. Back in 2004, the minor party vote was less than 15 per cent in the vast majority of electorates. There wasn’t much difference between inner and outer suburbs. In the large rural electorates of NSW, the minor party vote reached 20 per cent. It consistently went over 20 per cent only in country Queensland (Figure 2.3 on the following page).

Over four elections, the minor party vote rose, and the difference between inner-city and regions increased. Between 2004 and 2016, the minor party vote increased in inner-city areas from less than 10 per cent to around 20 per cent. It rose much further at the outer edges of the cities, to more than 30 per cent. In regional Queensland electorates

A double-dissolution and Senate voting reforms may have influenced who was elected. But they had no effect on the role of first-preference votes in electing candidates, so they probably did not affect first-preferences.
Figure 2.3: The vote for minor parties was lower in 2004 and less obviously regional
First-preference Senate vote to minor parties by electoral district, 2004

Notes: Hume is not included in the Greater Sydney cut-out. City cut-outs are not to scale.
Sources: Grattan analysis of AEC (2004).

Figure 2.4: The vote for minor parties increases further from the capital cities
First-preference Senate vote to minor parties by electoral district, 2016

Notes: Hume is not included in the Greater Sydney cut-out. City cut-outs are not to scale.
Sources: Grattan analysis of AEC (2016a).
it was often over 35 per cent, and in Kennedy (centred on Carpentaria and Mount Isa) it was over 45 per cent (Figure 2.4 on the previous page).

Overall, around 15 per cent of the increase in the vote for minor parties can be explained by the regional preference shift and around 55 per cent by the trend for more people to vote for minor parties (regardless of location).7

These regionally linked factors are more important for some minor parties. The differences are most obvious in Queensland where the One Nation vote is closely correlated with distance to the city-centre, while the vote for all other minor parties is relatively constant across locations (Figure 2.5). As discussed below, this suggests that the minor party vote has at least two distinct drivers, one correlated with geography and the other less so.

There are also state-based differences. Controlling for distance, South Australians were particularly likely to vote for minor parties (especially the Nick Xenophon Team); Queenslanders were more likely to vote for minor parties; while people in WA were less likely to do so (Section 2.3).

### 2.3 The trend appears to be structural

The minor party vote is not simply a One Nation story. Rather the minor party vote is allocated across a disparate group of parties.

One Nation received 9 per cent of the vote in Queensland but no more than 5 per cent in any other state.

---

7. In a linear regression model, this is the proportion of the increase in the minor party vote explained by the change in the voting patterns of those more than 50 km from the state CBDs and the proportion explained by a linear time trend. The ‘residual’ will be other factors that affect the vote, but are not fully captured in either the structural shift (intercept) or the distance variable.

---

**Figure 2.5: In Queensland, Pauline Hanson’s vote is strongly regional; other minor parties less so**

Minor party first-preference Senate vote share by electoral division, Queensland, 2016, per cent

**Note:** Katter’s Australian Party also has a strongly regional vote. See Appendix A.1 on page 90 for more details on data and methodology.

**Sources:** Grattan analysis of AEC (2016a).
In Victoria, South Australia and Tasmania the minor party vote was highest for parties with strong state-specific support – Derryn Hinch, Nick Xenophon and Jacqui Lambie’s parties respectively (Figure 2.6).

Micro parties – those that receive less than 3 per cent of the vote in all states – collectively account for a significant share of the minor party vote in each state.

The story is similar if one looks at individual regional areas. For example, in the Victorian regional electorate of Murray (centred on Shepparton), One Nation gathered 4 per cent of first preferences, only marginally out-polling the Animal Justice Party with 3 per cent of the vote.

2.4 Outsider politics is on the rise globally

These patterns are reflected in electoral trends elsewhere. Across the developed world, the vote for traditional centre-left and centre-right parties has fallen since about 2000 (Figure 2.7 on the following page), by 10 per cent or more in most developed countries.\(^8\)

The rise of populist movements across Europe and Latin America,\(^9\) Donald Trump’s election as United States (US) President, and the ‘Brexit’ vote has created global interest in what is causing disillusionment with the ‘mainstream’.\(^10\)

8. Barth (2016, p. 4). Rodrik (2017) shows that support for populist parties has been rising since the 1970s. Using the Global Elections Database he finds that the share of vote attracted by populist parties increased from less than 5 per cent in 1961-1980 to more than 20 per cent in 2011-15: Rodrik (ibid., p. 36, Appendix A).

9. In Latin America, populist leaders on the economic left have risen to power including Hugo Chávez and Nicolás Maduro in Venezuela and Evo Morales in Bolivia. Inglehart and Norris (2016, p. 6).

10. Donald Trump was the candidate for the Republican party, but his campaign embraced populist themes including disillusionment with the status quo, encapsulated as ‘drain the swamp’.

---

Figure 2.6: Small minor parties gained most of the minor party vote
First-preference Senate vote to minor parties, 2016, per cent

Note: ‘Other’ parties are those which receive less than 3 per cent of the vote in each state.

Source: Grattan analysis of AEC (2016a).
Figure 2.7: The vote for traditional parties is falling across advanced economies
Combined vote share of centre-right and centre-left parties, per cent

Note: US figures track the combined share of voters who self-identify as members of the Democratic or Republican parties.
Source: Barth (2016).

Figure 2.8: The vote share for populist right wing parties has been rising for a long time, and the radical left had a recent resurgence
Average voter support of populist left and right parties, 33 European countries, per cent

Note: 33 European countries, post-communist states included from their first democratic elections.
Source: Johansson et al. (2017).
Anti-establishment parties are now a large political force in European politics. These parties – defined by a common set of demands from their voter base including a push for restrictions to immigration and greater direct democracy – have increased their vote share from about 7 per cent in 2004 to around 19 per cent in 2017 in the EU-15 countries. Their rise in support has come at the expense of both centre-left and centre-right parties (Figure 2.7 and Figure 2.8 on the previous page).

The resulting increase in seats held by anti-establishment parties has enabled these parties to enter coalitions and help form government in a number of European countries. Populist parties can act as a catalyst for debate on issues that mainstream parties may otherwise have avoided, such as Eurosceptism or anti-immigration policy.

Populist support is growing most strongly in Western Europe. The Alternative for Germany (AfD), which campaigned on a strongly anti-immigrant policy platform in the 2017 election, took 13 per cent of the national vote and is now the third largest party in German politics. The election of centrist Emmanuel Macron as French President against the populist Marine Le Pen could appear to upset this trend. But both candidates ran for parties outside the political establishment. In the subsequent National Assembly elections, Macron’s La République En Marche! party – which didn’t exist 14 months before the poll – won 28 per cent of first-round votes, more than any of the established parties.

Clearly, the political context in Europe is very different to Australia: European populism is underpinned by scepticism towards the EU, the lingering effects of the financial crisis and austerity policies, and the Syrian refugee crisis. But there are lessons to be learned from the European case – mainstream parties open themselves up for populist attack when they do not appear to offer a diversity of policy options, or when they fail to address the concerns of their electorate.

On the other hand, Australia provides an interesting case study for the rest of the world on the origins of populist support. Political scientists have struggled to separate out the effects of cultural shifts and poor economic outcomes (low wages and rising inequality) in many countries because these shifts have occurred simultaneously. However, in Australia the relative health of the economy during the period of rising minor party support (Chapter 4) shows that social changes and falling trust can be sufficient to support a rise in outsider parties’ fortunes.

2.5 Regional areas are also more likely to reject the political mainstream in other countries

Voting patterns in other countries are also increasingly cleaving along geographic lines.

Le Pen attracted around a third of the presidential vote in France, but she won a majority in many regional areas.

12. Johansson et al. (Ibid., p. 2). The estimates are produced by the Swedish free-market think tank, TIMBRO. It combines results from general elections in the 15 original European Union countries, and categorises them based on party ideology. Johansson et al. (Ibid.) find similar trends, but estimate support for populist parties to be slightly lower, at 13.2 per cent.
16. With the exception of Hungary, Eastern European populist parties have garnered lower support in recent years than they did in the 1990s, and they are less likely to participate in national governments than in the past. Mudde (Ibid., Table 19.1, 19.2).
Figure 2.9: The vote for Brexit was higher in areas more remote from large cities
Electorate vote for Britain to leave the European Union (‘Brexit’), per cent

Brexit vote

Source: Aisch et al. (2016a) based on data from the BBC and British Office of National Statistics.

Figure 2.10: US politics is strongly defined by geography
Vote margin by candidate, 2016 US presidential election, per cent

Vote margin favours:
Democrats
Republicans

The Brexit vote in 2015 also closely tracked higher population density. London voted to remain in the EU – and so did Bristol, Manchester, and almost every other large population centre in England and Wales (Figure 2.9). Regional areas are the power base of populist parties such as the United Kingdom Independence Party (UKIP).20

US politics has long been divided geographically, with the Democratic Party stronger in the cities, and Republicans stronger elsewhere.21 Donald Trump’s presidential election in 2016 continued these trends, with cities swinging further to the Democrats, and smaller towns swinging further to the Republicans.22

These geographic divides are stark: Hillary Clinton dominated in the major population centres such as Los Angeles, New York, Chicago, Austin and Seattle, but also the smaller cities right across the country (Figure 2.10). In the Mid-West, for example, the major cities and university towns appear as ‘lonely blue islands’23 in a sea of Republican red (see inset in Figure 2.10).

2.6 Geography is correlated with a range of other factors

In Australia, as elsewhere, minor party vote share by region correlates with social and economic factors such as levels of higher education, income, and immigration. These social and economic factors also correlate with distance from large capital cities. As you travel from the CBD, not only are there more votes for minor parties, but typically there are also lower levels of income, education and migration (Figure 2.11).24

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21. See also Florida and Johnson (2012).
22. Brownstein and Askarinam (2016); and Aisch et al. (2016b).
A crisis of trust: The rise of protest politics in Australia

Overseas evidence suggests that the people who are most likely to vote for ‘outsider’ candidates are male, less-educated, religious, older, and white. Voters for some minor parties in Australia share these characteristics – One Nation voters are more likely to be religious and less likely to be foreign-born or to have a university degree. But they are no more likely to be male, or older, than Liberal/Nationals (LNP) voters. And voters for other minor parties don’t obviously differ much from the broader population (Figure 2.12).

It is a mistake to focus on any one of these factors and assume that it explains the minor party vote share simply because they correlate. A range of features all tend to go with each other, and it is not immediately obvious which is the ultimate cause. Rather, geography ‘sorts’ voters with a number of different characteristics – some of which may predispose people to vote for minor parties, or against the major ones.

Figure 2.12: Minor party voters are more likely to be religious, and to not have a university degree
Selected demographics by party voted for in the Senate, 2016

<table>
<thead>
<tr>
<th>Party</th>
<th>Male, per cent</th>
<th>Religious, per cent</th>
<th>No university degree, per cent</th>
<th>Average age (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRN</td>
<td>50</td>
<td>80</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>ALP</td>
<td>60</td>
<td>70</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>LP</td>
<td>65</td>
<td>85</td>
<td>30</td>
<td>45</td>
</tr>
<tr>
<td>NP</td>
<td>70</td>
<td>90</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>NXT</td>
<td>75</td>
<td>95</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>PHON</td>
<td>80</td>
<td>100</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>Other</td>
<td>85</td>
<td>100</td>
<td>0</td>
<td>20</td>
</tr>
</tbody>
</table>

Note: GRN – Greens; ALP – Australian Labor Party; LP – Liberal Party; NP – National Party; NXT – Nick Xenophon Team; PHON – Pauline Hanson’s One Nation; Other – Other minor parties. Error bars provide 95 per cent confidence interval of the estimated mean. See Appendix A for survey methodology.

Source: Grattan analysis of AES (2016).

3 Policy or protest?

What motivates voters decamping from the major parties? A vote for a minor party might reflect the attraction of its policy agenda (a ‘vote for’) or merely stem from disaffection with the major parties (a ‘vote against’).

This chapter examines the relative contributions of policy and protest as drivers of the minor party Senate vote since 2004.

Around two thirds of the increase in the vote for minor parties since the 2004 election went to the parties of candidates with high brand recognition – for example Pauline Hanson and Nick Xenophon. The other third went to micro parties – those attracting less than 3 per cent of the vote in all states.

The small and micro parties hold a wide variety of policy positions. But their voters do not hold significantly different views from major party voters in most policy areas. However, both small and micro party voters have lower levels of trust in government and are more likely to be disillusioned with the major parties.

This suggests that much of the rise in the minor party vote is a protest vote that finds a ‘home’ with a candidate that voters know or a micro party that is ‘anyone but the majors’.

3.1 Candidates with brand recognition have boosted the minor party vote

Many of the minor parties in Australia are predominantly state-based and built around a candidate with ‘brand recognition’.

Around two thirds of the increase in the vote for minor parties since the 2004 election went to the parties of new (or returned) ‘brand name’ candidates: Pauline Hanson in Queensland and to a lesser extent NSW
and WA, Nick Xenophon in South Australia, Derryn Hinch in Victoria and Jacqui Lambie in Tasmania (Figure 3.1).

The entry of ‘brand name’ candidates has always coincided with a net increase in the minor party vote (Figure 3.2). In net terms, parties with prominent leaders mainly win votes from the majors rather than cannibalising votes from other small parties.

The strong rise in the minor party vote between 2010 and 2013 coincides with the entry of the Nick Xenophon Team, which attracted a significant share of the vote in South Australia, and the Palmer United Party (PUP), which performed well in the rest of the country and particularly in Queensland (Figure 3.1).

In 2016, the return of Hanson in Queensland, and new parties fronted by Hinch in Victoria and Lambie in Tasmania, pushed the minor party vote higher again. In Queensland, the One Nation vote was strong enough to increase the minor party Senate vote by more than 7 percentage points, despite the fact that the PUP vote was simultaneously almost wiped out (only 0.2 per cent in 2016, down from almost 9 per cent in 2013) (Figure 3.2).

On the flip side, the absence of a candidate with brand recognition can suppress the minor party vote. In Western Australia – a state that does not have a local personality leading a party – the minor party Senate vote is around 8 percentage points lower than the average for the other states (Figure 2.6 on page 18).

### 3.1.1 Policy platforms of minor parties are very diverse

The attraction of parties built around ‘brand name’ candidates appears to be more about personality than policy. The leaders are charismatic and tend to attract high levels of media attention. Most have substantial support in their home state and minimal support elsewhere (Figure 2.6 on page 18).
on page 18): a pattern more consistent with local celebrity than strong policy appeal.

If voters are switching on policy grounds, the policy platforms of minor parties should tell us something about why Australians are moving away from the majors. But the policies of minor parties vary widely (Table 3.1). In the main, minor parties have a mix of agendas, often grounded in political pragmatism or opportunism rather than a coherent ideology. Minor parties’ agendas can afford to be more ‘aspirational’, because they do not have to make the difficult and unpopular trade-offs associated with governing.

The one area with more overlap is rhetoric about the need to ‘drain the swamp’. Minor parties typically promise to upset the existing power structures, and decry the self-interest of the major parties (Chapter 6).

These issues often translate into concerns about national/state sovereignty and the need for reform to the democratic process (representative reform) (Table 3.1).

In other developed countries, minor party platforms are similarly diverse. A review by Barclays of the platforms of the key alternative parties across Europe, the UK and the US found that immigration and sovereignty were the issues that united most of these parties. On economic issues and questions of redistribution, agendas ranged from liberal (lower taxes and welfare spending) to socialist (increased regulation, renationalisation of infrastructure, and growth of the welfare state).

3.1.2 Policy views of minor party voters aren’t distinct from those of major party voters

Our analysis of minor party voters suggests their views on most areas of economic or social policy are not particularly different from the views of major party voters (Chapters 4 and 5). The key exception is One Nation voters, who on average view immigration much more negatively than other voters (Chapter 5).

On the other hand, minor party voters do have significantly lower levels of trust in government and business, and are more likely to feel that politicians are out of touch (Chapter 7).

3.1.3 Protest reigns supreme but policy still matters

Together these factors point to an appeal based primarily on protest and personality rather than policy. Policies are diverse across minor parties and often sit at odds with the policy views of people who are voting for those parties.

And lack of policy is no barrier to success: Hinch attracted 6 per cent of the Senate vote in Victoria despite registering his party less than three months before the election and having few policies in major areas such as health, education, welfare, defence and tax.

But this is not to say that policy doesn’t matter. Some protest voters may choose the minor party that most closely aligns with their policy views or philosophy. And minor parties have been strategic in picking off issues where the major parties’ platforms do not represent public opinion well (Box 4 on the following page). This may be a strategic response given minor parties do not necessarily have the resources.

27. The Liberal Democrats are clearly an exception. They actively champion their values as classical liberal or libertarian, and their policy platform is generally consistent with these values.
28. Richards (2017) concludes that populists who actually gain power often find themselves in a policy morass because they are forced to acknowledge that politicians have limited means to address the problems they promised to fix.
30. The policies of Derryn Hinch’s Justice Party are mainly focussed on reform to the justice system – sentencing, bail reform and parole reform, for example. Derryn Hinch’s Justice Party (2017b).
### Table 3.1: Minor party policy platforms

<table>
<thead>
<tr>
<th>Party</th>
<th>National/state sovereignty</th>
<th>Representative reform</th>
<th>Greater immigration restrictions</th>
<th>Greater trade restrictions</th>
<th>Further redistribution of income</th>
<th>Increased corporate taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lib. Dems.</td>
<td>?</td>
<td>✓</td>
<td>?</td>
<td>✓</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Hinch</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>One Nation</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>N/A</td>
<td>✓</td>
</tr>
<tr>
<td>Xenophon</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>N/A</td>
<td>✓</td>
</tr>
<tr>
<td>Lambie</td>
<td>✓</td>
<td>✓</td>
<td>N/A</td>
<td>✓</td>
<td>✓</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Notes: Maroon: party has taken a position against. Yellow: party has taken a position in favour of. Orange: party has not taken any stance, or policies are inconsistent. Policy positions taken from published policy positions and other public statements prior to 2016 election. Party positions may have changed since.

Sources: Parties’ websites.

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**Box 4: Minor parties can appeal on niche issues where major parties are “out of touch”**

Analysis by Aaron Martin (forthcoming) found that the policy positions of the major parties were closely aligned to public opinion on most of the 30 policy issues explored in the VoteCompass Survey. Martin (forthcoming) For the handful of issues where both Labor and the Coalition parties were out of line with public opinion, the minor parties typically suggested policies more in line with public opinion.

- **Establishing a federal corruption watchdog**: Nick Xenophon Team (2015) and Jacqui Lambie Network (2016)
- **Imposing more onerous restrictions on foreign ownership of land and port facilities**: One Nation (2015a) and Katter’s Australian Party (2016)

These included:
to develop a comprehensive policy platform, and would not necessarily be rewarded by the electorate for doing so.

3.2 Growth in the micro party vote

Micro parties are also contributing to the rising minor party vote. These micro parties each have less than 3 per cent of the vote in every state. These parties have increased their share of first-preference Senate votes from 7.2 per cent in 2004 to 12.5 per cent in 2016. This accounts for around one third of the increase in the minor party vote since 2004.

The proliferation of such parties may be broadening their appeal. A record number of parties registered for the 2013 and 2016 elections (Figure 3.3). Their names suggest they cover a wide diversity of single issues: for example, the Animal Justice Party, the Non-Custodial Parents Party, Marriage Equality, and Mature Australia.

This diversity makes it difficult to draw firm conclusions about the motivations of micro party voters. On average the views of micro party voters sit close to the political centre (Chapter 5). But these voters do tend to have lower levels of trust in institutions and elites than do voters for the major parties (Chapter 6).

In summary, it seems likely that policy and protest both play a role in the rising micro party vote: as the number of micro parties grows, voters looking for an alternative to the major parties are increasingly likely to find a party that focuses on an issue that resonates with them.

The next three chapters explore the possible reasons behind voter disillusionment with the major parties.
4 Does economic insecurity explain the rising minor party vote?

Growing economic insecurity is a common explanation for the rise in the populist vote across western nations. Low wage growth, job insecurity and rising inequality have all been fingered as culprits for growing political disaffection in Australia.

But how does the evidence align with these claims?

Support for minor parties in Australia rose most when wages grew strongly and inequality was stable. Economic insecurity also doesn’t seem to explain the widening city/regional voting divide: the regions are keeping pace on most indicators of individual economic well-being.

Voters for the minor parties are no more likely to embrace policies to alleviate inequality or protect the poor than are voters for the major parties. Nor do many of the minor parties focus on these themes. But minor party voters are more likely to be concerned about job security and to have negative views about globalisation and free trade. The protectionist economic policies of many minor parties may therefore account for some of their appeal. But some of this rhetoric taps into the broader cultural anxiety associated with globalisation rather than its immediate economic effects (Chapter 5).

Overall, low income growth or job insecurity might explain some voters’ decision to vote for a minor party, but these do not seem to be the dominant driver of the rising minor party vote.

4.1 Is populism a symptom of low growth and rising inequality?

Many claim that diminishing economic security explains the rise in the populist vote across Western democracies. The theory is that the ‘losers’ from globalisation protest about the erosion of their job security and the falls in their relative incomes by voting for someone outside the political mainstream.

4.1.1 International evidence is mixed on the link between populism and the economy

A number of empirical studies internationally have called into question the primacy of economics in explaining the growing populist backlash (Box 5 on the next page). Still others have pointed out that there is just as much evidence of populist parties thriving in periods of economic prosperity (or declining in economic downturns) as there is of the converse.

4.1.2 Evidence for economic voting in Australia

In Australia, the economic insecurity hypothesis is popular among commentators seeking to explain the rising support for minor parties such as One Nation and the Nick Xenophon Team.

The logic is superficially attractive. Australians regularly nominate the economy as the number one issue that will determine their vote. And it dominates the legislative agenda: since the 1960s more economic legislation has been passed than legislation in any other policy category.

32. Under this theory, any social or cultural tensions have an economic basis: they are a by-product of the conflict between immigrants and locals over scarce resources. Esses et al. (1998) and Riek et al. (2006).
34. McNaughton (2017).
Box 5: International studies of populist voting and economic prosperity

International evidence on the link between populist voting and economic prosperity is mixed.

Using data from across Europe for the 13 years to 2014, Inglehart and Norris (2016) find that the experience of unemployment is linked with populist voting. However, they also find populist support is higher among small business owners and tradies than low-wage unskilled workers. And populist parties received significantly less support from people dependent on social welfare benefits. Inglehart and Norris conclude that cultural attitudes are a much stronger predictor of populist support (Chapter 5).

Funke et al. (2016) analyse voting patterns over 140 years and across 20 developed countries. They find that political polarisation increases strongly following financial crises. Far-right parties on average increase their vote share by 30 per cent after a financial crisis, as hostile attitudes to migration and trade resonate with the electorate. However, the authors find no significant effect on polarisation from normal recessions or economic downturns driven by other factors.

Grechyna (2016) uses data from 66 countries to examine the economic, socio-historic and geographic contributions to political polarisation. She finds that the level of trust and the degree of income inequality are the most important determinants of political polarisation.

Some US studies have called into question the narrative of Donald Trump’s presidential victory on the back of the white, working class vote. Carnes and Lupu (2017) use data from the America National Election Study to show that only 35 per cent of Trump voters have household incomes below USD$50,000 per year – the national median. But others have highlighted that the biggest increase in vote for the Republican candidate came from those with low incomes. Of those with incomes less than USD$30,000, 16 per cent more voted for Trump in 2016 than Mitt Romney in 2013.\(^a\)

Studies of the Brexit vote point to a similarly complicated relationship between economic circumstances and voting to leave the European Union. Becker et al. (2017) find the Leave vote was higher in UK regions with lower education levels, higher manufacturing employment, low incomes and higher unemployment. But Kaufman (2016) finds that negative views on immigration and favourable views on the death penalty had greater explanatory power than income and class in predicting voting intention in the Brexit referendum.

\(^a\) Liddy (2016).
But despite this pre-eminence of economics in Australian parliamentary efforts and the minds of voters, studies have failed to find any relationship between the vote-share of the incumbent and the health of the Australian economy. Indeed, Hellwig and McAllister (2016) document the ‘paradox’ of the low levels of economic voting in Australia compared to similar democracies.

4.1.3 The minor party vote in Australia grew most when wages were rising and people were most optimistic

Even if economic voting was an important feature of the Australian electoral landscape, many economic outcomes – particularly wages growth and inequality – do not align well with the changes in minor party fortunes over the past two decades.

The economy and wages have grown less strongly over the past decade than the previous one. However, the minor party vote increased most strongly in the period in which wages and income growth was most healthy. Between the 2010 and 2013 elections the minor party vote increased by more than 10 percentage points. Wages grew strongly in this period because of the mining boom (Figure 4.1).

37. McAllister (2003) uses opinion poll data dating back to the 1970s to show that macroeconomic conditions – such as GDP per capita and unemployment – have little impact on government popularity. Leigh (2005) shows that after controlling for incumbency, macroeconomic conditions don’t have a significant effect on partisan preferences. Hellwig and McAllister (2016) find no statistically significant relationship between the incumbent party’s vote at an election and unemployment or changes in real disposable income.

38. Hellwig and McAllister (ibid.) show that Australia stands out internationally as an established democracy with stable institutions, a two-party system and relatively sophisticated voters but low levels of ‘economic voting’.

39. Real GDP per capita grew 0.8 per cent per annum (wages 2.8 per cent per annum) between 2007 and 2017, compared to annual growth of 2.0 per cent (wages 3.2 per cent) from 1998 to 2007. ABS (2018a) and ABS (2017a).

40. Average equivalised disposable income shows a similar pattern, growing between 2009-10 and 2013-14 before falling in 2015-16. ABS (2017b).
And although the economy and wages grew fastest in the mining states, the rising tide lifted all economic boats across the country: even in Victoria median equivalised household incomes grew 1.9 per cent a year in real terms between 2010 and 2013.\textsuperscript{41}

Economic optimism also peaked in 2013. More Australians indicated they expected the financial situation of their household to improve over that year than at any point since 2001 (Figure 4.2).\textsuperscript{42}

\subsection*{4.1.4 Changes in income inequality also don’t align well with minor party support}

Income inequality doesn’t explain minor party support.

Income inequality increased a little and wealth inequality increased materially in the mid- to late-2000s. The Gini coefficient\textsuperscript{43} for household (equivalised) disposable income\textsuperscript{44} increased from 0.31 in 2004, to peak at 0.34 just before the Global Financial Crisis (Figure 4.3 on the next page). This period of rising inequality corresponded with a fall in the minor party vote between the 2004 and 2007 elections.

In contrast, there has been no consistent change in income inequality since the GFC. The Gini coefficient has oscillated but largely stayed

\textsuperscript{41} Ibid.

\textsuperscript{42} Expectations for the financial situation of the country and the government’s impact on the economy and household finances over the next 12 months also improved. Interestingly, retrospective assessments – impacts over the past 12 months – deteriorated between 2010 and 2013. Cameron and McAllister (2016, pp. 44–51).

\textsuperscript{43} Gini coefficient is a measure of inequality across the income distribution. The coefficient ranges between zero (perfect equality) and one (complete inequality, or all the income held by a single person). In other words, a higher Gini means a more unequal distribution.

\textsuperscript{44} Disposable income measures household income after taxes and transfer payments. Equivalisation corrects for the size and composition of households – larger households require a higher level of income to achieve the same standard of living as a smaller household – so economic well-being can be more directly compared.

\textbf{Figure 4.2: Australians were more optimistic in 2013}

Survey respondents who expect the financial situation of their household to improve in the next 12 months, per cent

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure4.2.png}
\caption{Australians were more optimistic in 2013}
\end{figure}

\textit{Note:} Estimates combine ‘will be a lot better’ and ‘will be a little better’ response categories.

\textit{Source:} Cameron and McAllister (2016).
A crisis of trust: The rise of protest politics in Australia

in the band between 0.32 and just above 0.33 (Figure 4.3). Indeed, the share of income earned by those at different parts of the income distribution has been almost entirely stable since 2009-10.45

Wealth inequality increased more than income inequality,46 but again it mainly lifted before the GFC when the minor party vote was falling. It has remained relatively stable at this higher level after the crisis.47

4.1.5 Unemployment correlates more closely with the minor party vote

Unemployment is the only economic variable that is reasonably well correlated with the minor party vote over the past two decades. Unemployment rose between the 2007 and 2010 elections and then again between 2010 and 2013. But the rise in the minor party vote in the 2016 election was against the backdrop of falling unemployment (Figure 4.4 on the next page).

High rates of unemployment and job insecurity might lead to a shift in votes to minor parties if workers blame the policies of the major parties – such as support for free trade or immigration – for the loss of local jobs. There is some international and local evidence of a link between job insecurity from trade competition and populist voting (Box 6 on the following page). And voters for minor parties in Australia tend to be more sceptical about the benefits of globalisation and free trade (Section 4.1.8 on page 37).

45. The only change was that the income share of the bottom 20 per cent of income earners increased from 7.4 to 7.7 per cent between 2009-10 and 2015-16. Income share for the top 20 per cent of income earners fell from 40.2 to 39.8 per cent. ABS (2017b).
46. Daley et al. (2018, Figure 4.12).
47. The Gini coefficient for household equivalised net worth increased from 0.57 in 2003-04 to 0.60 in 2009-10. In 2015-16 it remained at 0.60. ABS (2017b).
Figure 4.4: The minor party vote share is more closely aligned with unemployment

Unemployment rate and minor party vote share, 2002-2016, per cent

Note: Unemployment rate is the monthly trend unemployment rate published by the ABS.


Box 6: Unemployment, free trade and political polarisation

Some studies identify a link between job insecurity, trade policies and voter backlash against centrist parties (or candidates).

Autor et al. (2016) find that regions of the US exposed to increased import competition from China were substantially less likely to elect moderate congressional candidates. Non-trade related job reductions had considerably weaker effects on voting behaviour.

Similarly, Malgouyres (2017) and Dippel et al. (2015) find that regions of France and Germany more exposed to trade with low-wage countries have a higher share of voters shifting to extreme-right parties. The latter study estimates that two thirds of this effect is because of job losses, particularly in manufacturing.

In Australia, Mughan et al. (2003) estimate that support for One Nation in the 1998 election was stronger among people with higher perceived job insecurity. They find that support for limiting imports is significantly related to pessimism about personal economic prospects rather than pessimism about the state of the national economy.

In contrast, Reid and Lui (2017) find no significant relationship between the One Nation vote in 2016 and unemployment, although they acknowledge limitations in their data set.
Concerns about employment prospects may also make some groups more receptive to the anti-immigration messages of One Nation or some of the smaller minor parties (Chapter 5).  

4.1.6 One Nation voters are more concerned about the economy

Minor party voters tend to be more pessimistic about the economy than major party voters. They are more likely to describe the state of the economy as poor (Figure 4.5) and to be concerned about the direction in which it is heading.

Australian Election Study data suggest that pessimism is particularly stark among One Nation supporters. Less than 10 per cent of people who voted for One Nation in the Senate in 2016 expected their financial situation would be better in 12 months’ time. By comparison, more than a fifth of Nick Xenophon Team voters were optimistic – a similar proportion as Coalition voters.

These patterns are consistent with international findings that voters for populist parties tend to be more pessimistic than other voters, even when their incomes are growing on par. This has been attributed to the success of populist parties in cultivating a narrative that voters are

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48. T. Ward (2017) and PC (2017a) highlight that unemployment and negative attitudes to migrants have been highly correlated in Australia since the late-1970s.

49. As for the current state of the economy (Figure 4.5), a higher percentage of minor party voters nominate the direction of the economy as ‘poor’ or ‘very poor’: Essential Research (2016a). Views among voters for the two major parties about whether the economy is poor tend to change substantially depending on which party is in power.

50. AES sample sizes are small and relatively unreliable for individual minor parties. For this reason we generally aggregate minor parties unless the differences between the attitudes of voters for the minor parties are statistically significant Appendix A.

51. Box 5 on page 30.
losing out economically, even among those who have done relatively well.\textsuperscript{52}

The pessimism of One Nation voters is also reflected in negative assessments of the government’s competence to manage the economy. More than 40 per cent expected the government to have a bad effect on the economy in the next 12 months. This was much higher than for voters of any other party, including the ALP (who were in opposition).\textsuperscript{53}

Despite their despondency, One Nation voters were no more likely than Liberal or National voters, or those from other minor parties, to say the economy was extremely important in deciding how they would vote.\textsuperscript{54}

### 4.1.7 Jobs are a concern for ‘working class’ minor party voters

Minor party voters are more likely to self-identify as working class.\textsuperscript{55} Minor party voters have similar average confidence in their job prospects as Nationals and ALP voters, but lower than Greens and Liberal Party voters. (Figure 4.6).

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure4.6.png}
\caption{Minor party voters are less confident about their job prospects than voters for some major parties}
\end{figure}

People who believe they would find it very difficult to get another job in 12 months if they lost theirs, by party voted for in the Senate, 2016, per cent

\textsuperscript{52} Mols and Jetten (2017).
\textsuperscript{53} 30 per cent of ALP voters expected the government to have a bad effect on the economy in the next 12 months. This compared to 8 per cent of Liberal voters and 16 per cent of Nick Xenophon voters. Grattan analysis of AES (2016).
\textsuperscript{54} The 63 per cent of One Nation voters who said the economy was extremely important in deciding how they would vote was considerably lower than for Liberal voters and National voters (approximately 75 per cent) and similar to Nick Xenophon voters (64 per cent). Grattan analysis of AES (ibid.).
\textsuperscript{55} Forty per cent of minor party voters self-identify as working class (34 per cent middle class) compared to 34 per cent (51 per cent) for Labor voters and 24 per cent (60 per cent) for Liberal/National voters. Essential Research (2016b).
4.1.8 Minor party voters are no more likely to favour policies to address inequality or support the poor, but they are more anti-trade

Working class identity and concerns about economic direction do not necessarily translate into a taste for policy action to alleviate inequality or support the poor.

Voters for minor parties do not favour more redistribution than Greens or ALP voters (Figure 4.7). And they are more in favour of the Fair Work Commission’s proposal to reduce Sunday penalty rates (although still less in favour than Liberal/National voters).56

But minor party voters are more likely to reject the policies that many believe are contributing to job insecurity and inequality. Minor party voters are much more likely to think Australia has lost from globalisation compared to voters from the other parties.57 And they are more likely to agree that free trade has gone ‘too far’.58 But these attitudes also partly reflect a cultural antipathy to globalisation and an associated sense of loss of ‘the Australian way of life’ (Chapter 5).

4.1.9 But some minor parties do focus on economic concerns

The minor parties have differing positions on policies that affect economic security.

56. Of those who voted for minor parties, 29 per cent approved of the Fair Work Commission’s recent decision to reduce current Sunday penalty rates paid in the retail, fast food, hospitality and pharmacy industries, compared to 14 per cent of Greens voters and 19 per cent of Labor voters. Essential Research (2017a).

57. 48 per cent of minor party voters say Australia has lost from globalisation (18 per cent gained). This compares to Labor (34 per cent lost, 26 per cent gained), Liberal (23 per cent lost, 35 per cent gained), and is almost the reverse of the Greens (19 per cent lost, 48 per cent gained). Essential Research (2016c).

58. 55 per cent of voters for minor parties agree with the statement, compared to 45 per cent of Liberals/Nationals and Labor voters and 31 per cent of Greens voters. Essential Research (2016d).
The Jacqui Lambie Network and One Nation are the two minor parties that attract a disproportionate amount of their support from low-income areas. Lambie strongly opposes cuts to welfare benefits, and her Senate voting patterns are consistent with this stance. In contrast, One Nation generally favours tightening access to welfare (but not the pension) – measures that would disproportionately reduce incomes for the most vulnerable.

On jobs, Xenophon is notable as a party leader who strongly advocates for policies to increase jobs in his home state of South Australia.

And while foreign trade is a second-order issue in Australian politics, some minor parties do emphasise it in their platforms. One Nation is strongly opposed to ‘free trade economic policies’, arguing they have been responsible for the decline in manufacturing. Xenophon calls for stronger anti-dumping laws, and Bob Katter advocated against the Trans-Pacific Partnership agreement. These policies differentiate these minor parties from the ‘consensus’ among the major parties about the economic benefits of free trade.

4.1.10 Economics: something, but not everything

Economic factors at best provide a partial explanation for the overall rise in the minor party vote (Table 4.1 on the next page).

If voters really are ‘stewing in ominous silence’ over rising inequality, it is difficult to detect. The minor party vote rose most when wages were rising and inequality was flat-lining. And there is no evidence that minor parties or their voters are especially keen on redistribution or boosting the safety net.

Similarly, while minor party voters are more concerned about the economy than are major party voters, the minor parties do not speak in the language of growth or expanding prosperity. And their popularity grew most when workers were doing relatively well.

If there is an ‘economic’ dimension to the popularity of the minor parties it is their message on job security. Minor party voters are more likely to identify as working class. They are also more likely to offer a negative assessment of globalisation and free trade. The protectionist policies advocated by the minor parties will not bring back the agricultural and manufacturing jobs lost over the past four decades. But they do appeal, particularly to older male voters who work outside the services sector and are nostalgic for a period of greater job opportunities.

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60. Lambie has almost always voted against policies that would reduce welfare benefits, but has mixed support for policies that would increase benefits. Grattan Institute analysis of They Vote for You database.
61. Grattan analysis of They Vote for You database. One Nation policy is to increase the Age Pension One Nation (2015b).
62. Xenophon lobbied heavily for Australia’s replacement submarines to be built in South Australia and for the major parties to commit to a bail-out for the Whyalla steel works in the lead-up to the 2016 election. He also lobbied for the federal government to provide money for a proton beam therapy centre in Adelaide. ABC News (2014), B. Fitzgerald (2016) and SBS News (2017a).
63. Dowding and Martin (2017, pp. 98, 186) estimate that trade consumes around 3 per cent of legislative attention, far less than the time dedicated to macroeconomic conditions, banking, finance, domestic commerce and labour and immigration. It also consumes less media attention, other than short periods of focus during the Asian Financial Crisis and the signing of the USFTA. The share nominating foreign trade among the ‘three most important things government should be doing something about’ fell (from a low base) between the early-1990s and the early-2000s. The share nominating it as the ‘most important thing facing Australia today’ has also remained low since that time. Dowding and Martin (ibid., pp. 207–208).
64. One Nation (2015c).
65. Nick Xenophon Team (2017a).
The prevalence of these concerns is also correlated with location. Voters in regional areas are the most likely to be concerned about job security, although the gap in economic outcomes between the cities and the regions doesn’t seem to be widening.

4.2 Have regional areas been left behind?

Even if economic insecurity doesn’t comprehensively explain the overall increase in the minor party vote, can the growing gulf in voting between the city and the regions be explained by differences in economic performance?

If people in the regions feel they are being ‘left behind’ those in cities – in terms of income, wealth or economic opportunities – they may be more open to voting for minor parties.

But on most measures of economic performance, the regions have kept pace with the cities over the past decade. And in terms of overall well-being, the regions remain in front. While people in the regions are more pessimistic about the state of the economy and their employment prospects, the ‘optimism gap’ between the cities and regions hasn’t widened over the decade. But while per capita incomes have kept pace, regional populations have tended to grow more slowly.

The discussion of views of regional voters in this section is based on survey data on voter attitudes by location, and complemented by the comments provided to Grattan Institute staff during our consultations in regional areas (Box 7 on the following page).

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69. In this report ‘the regions’ or ‘regional areas’ are areas other than major cities, incorporating regional, rural and remote areas.

70. A more comprehensive discussion of much of the economic data presented in this chapter is in Daley et al. (2017).
Box 7: What do people in the regions say about their economic concerns?

In preparing this report, Grattan Institute staff spoke to individuals, community groups and councils in three very different regional centres: Mildura (Victoria), Whyalla (SA), and Emerald (Queensland).

Their economic and political concerns were diverse.

People in Mildura lamented the ‘brain drain’ – losing bright young people to the major cities or overseas. But some considered there were good opportunities for those who stayed in the region – for example, jobs in high-end agricultural processing. Concerns related to the agricultural sector also featured prominently in Mildura. Water management issues – including the sale of water out of the Mildura region – and the pros and cons of working holiday visas for farmworkers were frequently mentioned.

In Whyalla – a town whose economy is closely tied to the future of the Arrium steelworks – the main concern was diversifying the local economy. Education, tourism, defence and aquaculture were mentioned as sectors that could expand in the region to provide more jobs and a more stable future. Unsurprisingly, given the dependence of the town on a trade-exposed industry, people in Whyalla were more hostile to free trade than those from other regions.

In Emerald, a major concern was managing the economic swings: a mining employment boom and then bust, floods, and agricultural commodity cycles. A fly-in fly-out workforce helped manage the demand during the mining boom, but also led to income leaking from the region.

There were some consistent themes in the consultations: in all three regions, people emphasised a desire for more government services and infrastructure.

In Mildura, reopening the passenger train line to Melbourne was on the wish-list of every group we spoke to. Reopening the rail line would mean quicker trips to Melbourne. And the closed line weighs on the town’s psyche as a symbol of neglect by the state government.

In Whyalla, health services were a point of concern. The hospital is closed on the weekend, and people have to travel long distances to see specialists because of regional consolidation of services.

In Emerald, too, consolidation of health services was raised repeatedly. There was concern about the strain on health professionals required to travel long distances because they service large areas.

But there were also many positives raised about life in the regions. Across the consultations, people spoke of the resilience of their local area. The ability of country people to adapt and support each other was evidently a source of pride.

And the lifestyle of the regions was seen as a major attraction. Quick commutes, excellent cafes, thriving arts scenes and the sense of community – all were mentioned as benefits of living in these areas.
4.2.1 Economic activity and total incomes are growing faster in the major cities, but mainly because of population growth

Economic activity and incomes have grown faster in most major cities compared to the regions over the past decade. The economies of Sydney, Melbourne and Adelaide have all grown substantially faster than regional areas in those states (Figure 4.8). Western Australia and Queensland bucked this trend because of the mining boom. But most of the difference results from different rates of population growth. Differences in economic growth per person between the cities and the regions are much smaller.\(^{71}\)

The same is true of income – what people earn from work and investments. Average incomes are higher in the cities, and total incomes in the cities have grown faster over the decade.\(^ {72}\) But income growth per person in the past decade has not been obviously different in the regions. Figure 4.9 on the following page illustrates this for Queensland. This pattern of similar or slightly higher growth in income per capita in the regions is mirrored in each state.\(^ {73}\)

4.2.2 Regions fare comparatively well on other economic indicators

The regions are not obviously falling behind based on other measures of economic well-being such as inequality, unemployment and wealth accumulation.

Inequality is not higher in regional areas. Looking at income inequality within areas – since people often compare themselves to those living nearby – inner-city suburbs tend to be less equal than outer suburbs or regional areas. And while inequality before taxes and transfers has increased a little in both city and regional areas, it has generally

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\(^{71}\) SGS Economics and Planning (2016).

\(^{72}\) Daley et al. (2017, pp. 8–11).

\(^{73}\) Ibid. (pp. 13, 37–39).
increased more in the cities. However it is possible that localised inequality is more visible to people in the smaller and more integrated communities in the regions.

Unemployment is highly variable in cities and regions: both have areas of strong employment and both have areas of relative disadvantage (Figure 4.10 on the next page). Unemployment tends to be well above the national average in remote regions, particularly those with high indigenous populations: much of the Northern Territory, Far North Queensland, the Kimberly in northern Western Australia, and outback central Western Australia (below the Pilbara region).

But there are also pockets of high unemployment in cities, particularly outer suburbs such as Dandenong in Melbourne and Fairfield in Sydney. And while there have been areas of improvement in both regions and outer suburbs, overall, unemployment has not got markedly better or worse in regions as opposed to cities over the past five years.

Finally, people in regional areas on average have typically accumulated wealth at a similar rate to their city cousins (Figure 4.11 on the following page). This partly captures the strong growth in house prices in remote mining areas during the boom, as well as growth in prices in outer regional coastal towns. Growth in city prices has probably been more consistent than in the regions. And some regional areas are now facing declining prices. But over 15 years regional housing has increased in price (relative to incomes) in similar ways to capital city housing.

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75. Daley et al. (2017, pp. 16–19).
77. Daley et al. (2018, Figure 2.4).
Figure 4.10: Cities and regions both have pockets of high unemployment
Unemployment rate average for 2016

Notes: Map is coloured by ABS SA2s and grouped into population-weighted septiles. The outer suburbs of Brisbane have been excluded to aid readability. See Daley et al. (2017, Appendix A) for a discussion of map methodology.
Source: Grattan analysis of DoJSB (2017).

Figure 4.11: Wealth has also grown strongly in the regions
Average net worth and net housing equity, by region, 2004 to 2014, $

Notes: ‘Net worth’ is the self-reported value of assets minus liabilities. ‘Net housing wealth’ is based on self-reported value of properties owned and value of mortgages on those properties. Average net housing wealth is calculated for home-owners only.
4.2.3 And regions generally have higher well-being

Of course indicators of economic outcomes such as income, wealth, employment and inequality do not capture all dimensions of quality of life.

The Australian Unity Wellbeing Index is a more comprehensive measure that takes into account satisfaction with health, relationships, standard of living and sense of community.

Regional areas generally fare better using this more comprehensive well-being assessment. Of the ten highest-ranked electorates in 2016, six were rural and the other four were regional (Figure 4.12).

Regions also fare better on measures of social capital. Volunteering, participation in a community group, and face-to-face contact with family and friends outside the household are all higher in regional Australia compared to the major cities.\(^78\)

In our regional consultations, people often stressed the lifestyle attractions of their region and the sense of community they enjoyed (Box 7 on page 40). Similarly, in discussions with IPSOS researchers, country people nominated the relaxed lifestyle, freedom and sense of community as advantages of living outside of the city.\(^79\)

4.2.4 Differences in population growth are the real source of the city/region divide (but have been for many decades)

Although income growth per person was similar across cities and regions over the decade, the total size of the economy in city areas grew faster because of faster population growth (Section 4.1.10

\(^78\) Inner regional areas have higher average scores on these measures than the major cities, and scores in the outer regional and remote areas are higher again. ABS (2014).
\(^79\) IPSOS (2013, pp. 42–43).
on page 38). Indeed, the difference in population growth is the key ‘city/region divide’ in the economic data over the decade.

Population in the capital cities – particularly the inner cities and the city fringes – grew more than 1.5 per cent a year on average. In contrast, populations of suburbs more than 100 km from a major city barely increased. Even this hides a regional dynamic: major regional centres grew, while many of the surrounding regions and smaller towns actually lost population.

The Productivity Commission argues that depopulation has torn at the social fabric of these communities and engendered a sense of being ‘left behind’ as the rest of Australia prospers.

Regional differences in settlement patterns are caused by longer-term structural changes in the Australian economy. An increasing proportion of the Australian workforce is employed in service industries, a pattern we see across developed economies. Over 50 years, employment in services has risen from 5-in-10 to 8-in-10 workers.

Services jobs, particularly in professional services, tend to cluster in cities and their centres. There are big benefits to ‘agglomeration’ – being close to lots of other service firms. The productivity benefits of cities are reflected in higher wages, GDP and rates of innovation per person.

These services jobs attract people both from overseas and within Australia who are younger and more educated. Cities have a higher proportion of young people, immigrants and people with a tertiary education. Almost all of the migrants to Australia in the past decade have settled in the capital cities.

But these changes did not just emerge in the past ten years – they have been occurring over many decades. Indeed, the biggest structural shifts in the economy away from agriculture and manufacturing towards services jobs occurred in the 1970s and 1980s.

People in regional areas feel the loss of manufacturing jobs more acutely than those in cities. Regional Australians are somewhat more likely to believe that we should make more of an effort to manufacture goods in Australia. However, given the longer-term nature of this shift in employment, there is no obvious reason why shifting populations would suddenly manifest as regional voter disillusionment in recent elections.

And there is evidence that some people in regional centres are more worried about the side-effects of growth than about contraction. In discussions with IPSOS researchers, people in Bunbury, Townville and Tamworth raised concerns that with growth ‘city type’ social problems emerged: rudeness, lack of respect, traffic, and crime. Some were also concerned about the broadening ethnic mix that this might entail (Chapter 5).

4.2.5 People in the regions are more pessimistic (but it was always thus)

People in regional areas are less optimistic about the economy – they tend to have more negative views on their future household financial

80. Grattan analysis of ABS (2017d); see also Daley et al. (2017).
81. Daley et al. (2017, p. 23); and PC (2017a).
82. PC (2017a, pp. 19–21).
83. Withers et al. (1985); and Daley et al. (2017, p. 6).
84. Romer (2015); and Bettencourt et al. (2007).
86. Ibid. (pp. 5–6).
87. Although agreement is high across the board: 79% of people in the city agree compared to 90% outside of cities. Political tribes data, Grattan analysis; see also IPSOS (2013) and Wade and Ting (2017).
88. IPSOS (2013, pp. 50–52).
situation, their job prospects, and the impact of the government on
the economy. However, this has been the case since the data was first
collected in the early-2000s.

The optimism gap hasn’t widened in recent years. People in both
the cities and the regions were more likely to think their household
financial situation would improve in 2013 and decidedly less so in
2016 (Figure 4.13). So differences in economic attitudes don’t seem
to account for the widening city-regional divide during this period.

4.2.6 People in the regions are concerned about services

Another gap between cities and regions is access to government
services.

Differences in services – particularly health and public transport – were
frequently mentioned in Grattan Institute’s regional consultations as a
source of discontent (Box 7 on page 40). Similarly, IPSOS noted that
access to quality healthcare was a concern for many regional people.89

People in the IPSOS discussions generally felt they had access to high-
quality schooling for their children,90 but recent research highlights gaps
in performance between cities and regions.91

There is only limited survey data about how views on services among
regional voters have changed over time. But it’s a fair guess that
these concerns have existed for much longer the past decade. A
recent report card by the Regional Australia Institute found that access
to service delivery professionals has improved over the past three
decades, but mainly in inner regional areas.92

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89. Ibid. (pp. 47–49).
90. Ibid. (pp. 43–44).
91. Goss et al. (2016, p. 32); and Cassells et al. (2017).
What is clear is that spending per person on services tends to be significantly higher in regional areas. The costs of providing services – particularly health, education and policing – are higher with more dispersed populations, so governments spend more to ensure that service quality in regional areas doesn’t fall too far behind the more densely populated cities (Figure 4.14).

In any case, there isn’t much direct evidence that concerns about service levels are related to switching to voting for minor parties.

Reid and Lui find a positive correlation between the One Nation vote and lack of proximity to most government services, except schools.93

But people who vote for minor parties tend to be less concerned about services than the general population. Minor party voters are much less likely to nominate education, health and public transport as among the top three issues for the federal government to address.94 And these issues generally do not feature prominently in the policy platforms of minor parties.95

93. Reid and Lui (2017). A similar study in France found that the vote for the right-wing National Front was closely associated with the absence of services such as pharmacy, bakery, post-office or café. The Economist (2017, p. 10).
94. Across minor party voters, 33 per cent nominated health (compared to 43 per cent of all voters) and 13 per cent education (19 per cent of all voters). Essential Research (2017b).
95. One Nation and Derryn Hinch’s Justice Party do not have a federal health or education policy. One Nation’s Queensland state health policy focuses on reducing the number of health bureaucrats and improving access to medical cannabis, rather than improving regional services. NXT sets out high-level principles on health and education but provides limited policy detail (outside of a proposal to reinstate the 30% private health insurance rebate). The Jacqui Lambie Network’s health policy is focused on drug rehabilitation, but that party does have more detailed policies on school and university education. The Liberal Democrats want less government intervention in the health system, including the transfer of public hospitals to non-government organisations.
4.2.7  Differences between the cities and regions exist but don’t seem to explain recent dissatisfaction

Regions differ economically from cities in a number of ways: incomes are lower on average, access to government services – particularly health and public transport – is poorer, and the population is growing more slowly, if at all.

But it is not clear that these differences can account for the widening gulf between city and regional voting over the past decade. These are long-standing issues and none of them has got much worse. Income growth in the regions has been on par with the cities. The service ‘gap’ is not obviously increasing (and in any case, does not seem to be a strong motivator of minor party voting). City populations have been growing faster for decades.

On other indicators such as general well-being, inequality and unemployment, the regions fare better, or not noticeably worse, than the cities, so these are also unlikely to account for emerging discontent.

On the other hand, these population and economic trends are accentuating the cultural divide between the cities and regions (Chapter 5).

4.3  Summing up

The growing minor party vote isn’t neatly explained by changes in the economy. Most economic indicators don’t align closely with the minor party vote or the increasing difference in vote between the cities and regions.

But rising unemployment and associated dissatisfaction with the major party ‘consensus’ on free trade and immigration may have played a role. And longer-term structural changes that have reduced job opportunities in certain sectors and regions also play into cultural concerns about how Australia is changing (Chapter 5) and the effectiveness of government (Chapter 6).
5 Does the minor party vote reflect growing cultural divides?

This chapter explores the cultural dimensions of the minor party vote. Culture explains a great deal about why more people are voting for minor parties, especially in the regions.

Culture might play into politics as a backlash against social change contrary to a range of personal beliefs. But claims that a growing ‘silent majority’ are voting for minor parties to signal their opposition to socially progressive change are not borne out by the facts: minor party voters do not have strong views on social liberalism, and most minor party platforms don’t focus on these issues. Regional Australians are also not much more socially conservative than people in the cities.

A more powerful explanation for the rise in the minor party vote is that some voters want to ‘take back control’ in a world where the direction and pace of change isn’t to their liking. Some minor party voters are particularly nostalgic for a time when people like them seemed to have had more control over their lives and the country’s direction. They wish to protect the cultural symbols and narratives that are associated with ‘traditional Australia’.

A sense of being left behind is more prevalent in regional Australia. Regions hold a falling share of Australia’s population, and consequently their share of the nation’s economy is shrinking, as is their share of political influence. Australia’s cultural symbols are shifting from images of the bush to images from cities. The cultural divide between cities and regions is widening not because regions are falling behind, but because cities are drifting further away.

Concerns about this loss of cultural power are higher among the voters for some minor parties. And some minor parties have policies that explicitly appeal to these concerns. As such, culture forms a part of the explanation of the rising minor party vote. But as described in Chapter 6, minor parties are usually also appealing to falling trust in government – which garners votes in both cities and regions.

5.1 What cultural factors might explain the rise of minor party voting overall?

Cultural explanations for minor party voting come in two broad flavours:

Theory 1: Opposition to progressive social change – ‘cultural backlash’

One theory is that some voters are concerned about growing tolerance for diverse identities. These voters can be mobilised by outsider politicians and parties that stand up for conservative values and fight against political correctness. If ‘cultural backlash’ were a driving factor in the Australian case, we would expect the people who vote for minor parties to be more conservative on issues around gender roles, sexuality, and race.

Theory 2: Loss of community power – ‘taking back control’

A second theory is that minor party voters are responding to a sense that their community or in-group is losing cultural and political power. These voters feel that cultural changes are generally in the wrong direction: their way of life is under threat, Australia’s national sovereignty is eroding, and ‘people like me’ have been forgotten. They are drawn to

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96. Beauchamp (2017); Inglehart and Norris (2016); Kaletsky (2016); and Sayer (2017).
97. Inglehart and Norris (2016); see Albrechtsen (2016), Shepherd (2017) and Wilms (2016) for examples of this discussion in Australian media.
98. Goodhart (2017); Haidt (2016a); Jennings and Stoker (2016); and Posner (2017).
candidates who promise to restore lost power to ‘ordinary’ citizens, who propose ‘Australia-first’ policies, or restrictions on immigration.

The two theories are interconnected. Individuals could agree with both, and the theories might overlap in some areas.

5.2 ‘Cultural backlash’ against social liberalism doesn’t drive votes to minor parties

If cultural issues were a major cause of minor party voting, we would expect minor party voters generally to have more conservative attitudes, or to be more concerned about the way the world is changing. And we would expect minor party platforms to reflect these concerns.

If people in regional Australia were more conservative or more concerned about loss of community power, this might explain why the minor party vote is particularly high outside of the cities. Regional areas have older populations and have lower average incomes and education levels compared to the cities, which often correlate with a more conservative stance on social issues. A sense of being left behind could also be particularly strong in regional Australia as cultural norms about Australian identity and ways of life shift toward city lifestyles.

But Australia is becoming more socially liberal in both cities and regions. And this tolerance does not appear to be generating a backlash in the electorate: attitudes to social issues are not closely linked to voting in general elections, and minor party voters have similar views to voters for the major parties on these issues. Social issues are also not particularly prominent on most minor party platforms.

5.2.1 Australians are more socially progressive than ever

Australians have become more socially liberal in the past decade. They are more tolerant of diversity, and more likely to see the expansion of rights to minorities as a good thing. Attitudes towards sex, sexuality, and gender issues have become more progressive since 2004 (Figure 5.1 on the following page).

Similarly, more people want to loosen state restrictions on personal autonomy and choice. More are in favour of decriminalising marijuana, allowing euthanasia, and increasing access to abortion than in 2004. Fewer want to see tougher criminal sentencing, or the reintroduction of the death penalty. And a greater share of the population is self-identifying as left-wing compared to a decade ago (Figure 5.1).

Attitudes to race and ethnic diversity are more difficult to ascertain, but support for multiculturalism is high and has been for some time. And people view the expansion of indigenous rights more positively.

Overall the purported ‘silent majority’ for conservative causes appears to be neither silent nor a majority, nor growing.

5.2.2 Attitudes to social liberalism don’t appear to drive votes

Neither socially liberal nor conservative attitudes seem to be important drivers of votes in Australian elections. Religiosity of the electorate was the variable most correlated with the results on the same-sex marriage

100. And there was no obvious ‘backlash’ effect. For instance, as ‘strong’ support for equal rights for same-sex couples grew from 19 per cent in 2005 to 46 per cent in 2015, the proportion of people strongly disagreeing halved (to 12 per cent). Perales and Campbell (2017).

101. Markus (2016, p. 74). See Section 5.3.2 on page 57 for a discussion on attitudes to immigration.

102. Cameron and McAllister (2016, p. 96) However, Australia is still not a paragon of tolerance: experiences of racism are widespread and increasing in frequency. One-in-five people in the Scanlon Surveys say they have experienced discrimination on the basis of their national, ethnic or religious background in the past 12 months: Markus (2016, p. 59). See also Markus (2016) and Reconciliation Australia (2017).


A crisis of trust: The rise of protest politics in Australia

Figure 5.1: Australian attitudes are becoming more liberal
Respondents who agree, per cent; self-identified score on the left-right scale is inverted

Attitudes to gender and sexuality

- Widespread access to abortion
- Equal rights for same-sex couples
- Govt support for business women

Attitudes to crime

- Against reintroducing death penalty
- Decriminalise marijuana
- No stiffer sentencing for criminals

Notes: Views on equal rights for same-sex couples are derived from HILDA data for 2005, 2008, 2011, and 2015. Attitudes towards the death penalty and ‘no stiffer sentencing’ include those comfortable with the status quo, otherwise Estimates combine ‘Strongly agree’ and ‘Agree’ response categories. Left-right political leaning is self-reported on a 0-10 scale, with 5 neither left nor right. Estimates by party are means.

Sources: Cameron and McAllister (2016) and Perales and Campbell (2017), citing HILDA data.
postal ballot. There was almost no correlation with the LNP two-party preferred vote share (Figure 5.3 on the following page). Electorates with a high minor party vote were not much more likely to vote no in the same sex-marriage survey, except in Queensland.

Attitudes to other LGBTQI issues are a little linked to minor party voting, but not to other affiliations. The ABC’s Vote Compass asked respondents whether they believe transgender awareness should be taught in schools. Support for this idea is higher in electorates that are in the inner-city, less religious, higher-educated, and with more people working in services. Support was materially higher in electorates with a high Greens vote, but there was not much difference between electorates that favour the LNP or Labor. Electorates with a high minor party vote were somewhat less likely to be supportive.

Minor party voters do not express consistent views on social issues (Figure 5.2). Voters for the Nick Xenophon Team are more socially progressive than voters for the Liberals and Nationals. The attitudes of voters for One Nation and other minor parties are similar to those of voters for the Liberals and Nationals.

Voters for some minor parties are more in favour of social policies that increase personal autonomy. Around 70 per cent of voters for the Nick Xenophon Team approve of allowing broad access to abortion – a higher level of support than Liberal and National voters (53 per cent and 63 per cent, respectively), and about the same as voters for

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106. ABS (2018d).
107. ABC News et al. (2016); ABS (2016); and AEC (2016a).
108. The 2016 Scanlon Foundation survey reports that minor party voters were less likely to support same-sex marriage compared to major party voters, because they found a lower level of opposition to changing the law among LNP voters than reported in the AES. Markus (2017).
Figure 5.3: Support for same-sex marriage correlates with religious attitudes more than party support or distance to the city
Respondents who have a positive view of same-sex marriage, electorates, 2016, per cent

Notes: Electorate distance is the ‘haversine’ distance, which gives the approximate distance between two points given the curvature of the Earth. See Appendix A..
Sources: Grattan analysis of ABS (2018d), ABS (2016, TableBuilder: Counting persons, usual place of residence) and AES (2016).
the ALP (68 per cent). Similarly, many minor party voters support allowing terminally ill patients to end their own lives with medical assistance.

5.2.3 Most minor parties aren’t promoting social conservatism

Most minor parties have few policies relating to social issues. The exception is same-sex marriage, which has been a critical topic on the policy agenda over the past few years.

The stance of minor parties in the lead-up to the same-sex marriage ballot was mixed:

- The Jacqui Lambie Network did not have a stated policy on this issue, but announced that its MPs would have a conscience vote if the issue went to parliament. Jacqui Lambie personally opposed same-sex marriage.
- One Nation had no explicit policy. Pauline Hanson opposed changing the law, suggesting that doing so could have unforeseen consequences on Australian society.
- The Nick Xenophon Team supported same-sex marriage.
- The Liberal Democrats supported same-sex marriage.

5.2.4 There is no evidence of ‘cultural backlash’ in the bush

The ‘cultural backlash’ hypothesis also does not explain why the minor party vote is higher and rising faster in regional Australia. According to the AES, perspectives on same-sex marriage, gender equality, and abortion access are remarkably consistent across the country (Figure 5.4 on the next page). The 2016 Scanlon Foundation survey also found that views on same-sex marriage are similar between capital cities and the rest of the country.

Results from the same-sex marriage postal survey also suggest that the dominant division in social attitudes is not between cities and regions. While support for same-sex marriage was highest in inner-city electorates, the level of support was roughly similar for all electorates more than 40 kilometres from their capital city centre (Figure 5.5 on the following page). There was substantial variation in the level of support between regions (electorates in regional Queensland were less likely to support same-sex marriage than electorates in regional Victoria), and within cities (inner-city Sydney had some of the highest rates of support in the country, but the city’s western suburbs had the lowest).

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109. 65 per cent of One Nation voters agree. Other minor party voters are less positive – just 55 per cent agree (closer to the Nationals), AES (2016).
110. 87 per cent and 81 per cent of NXT and One Nation voters agree, respectively, compared to 77 per cent of Liberal 73 percent of National voters, and 80 per cent of ALP voters. 62 per cent of other minor party voters agree. AES (ibid.); Grattan analysis.
114. SBS News (2017b); and SBS News (2017c).
115. Nick Xenophon Team (2017a).
118. The three regional electorates that voted against changing the law were in regional Queensland. Support for changing the law was materially higher in inner-city electorates less than 15 km from the GPO. Wood and Chivers (2017).
119. Ibid.
Figure 5.4: People in regional Australia have similar views to those in the cities on many social issues
Respondents who have a positive view, selected issues, 2016, per cent

Notes: Error bars provide 95 per cent confidence interval of the estimated mean. See Appendix A for survey methodology, and sources under Figure 5.2 on page 52 for a description of the survey questions.

Sources: Grattan analysis of AES (2016).

Figure 5.5: Most regional electorates voted for same-sex marriage
Yes vote in same-sex marriage postal survey, electorates, 2017, per cent

Notes: Electorate distance is the ‘haversine’ distance, which gives the approximate distance between two points given the curvature of the Earth. See Appendix A.

Source: Grattan analysis of ABS (2018d).
5.2.5 Summing up: ‘cultural backlash’ doesn’t explain the rise of minor parties

Tolerance for diverse identities is increasing across Australia, and survey data gives no reason to believe that there is bubbling resentment about this change. Minor parties and their voters don’t seem to be particularly against expanding rights to women or LGBTQI communities. And most regional areas – where the minor party vote is highest – are on-board with socially progressive change. This explanation for the high and rising minor party vote just doesn’t hold water.

5.3 Minor party voters want to ‘take back control’

A more powerful explanation for the rise in the minor party vote is that some voters want to ‘take back control’ in a world where the direction and pace of change aren’t to their liking. The pervasive sentiment is that ‘things aren’t what they used to be’. Minor party voters identify with the norms, values, and ways of life of ‘traditional Australia’. These sentiments are more prevalent in regional Australia.

Some minor parties have been effective in tapping into these sentiments, particularly concerns that immigration is a threat to the Australian way of life and that regional Australia is being left behind. Similar cultural tensions have been important drivers of votes in many other western countries (Box 8).

5.3.1 Minor parties appeal to people who feel left behind by changes in Australian society

Australia’s national identity is changing. Our culture is more city-centric and globalised. Fewer people are working in agriculture and manufacturing, and more people are finding jobs in services (Chapter 4). More people are going on to higher education. And Australia’s immigration

Box 8: Voter psychology could explain why traditional left-right divides have broken down

As is the case in other high income countries, a Australian politics increasingly operates on a different political axis to traditional left-right divides. Australian minor party voters are especially likely to say they do not identify as ‘left’ or ‘right’ wing. b

Political theorists overseas have suggested that a second political axis is forming between ‘nationalists’ and ‘globalists’. c Haidt calls this divide ‘the central axis of [political] conflict within and across many nations’. According to Haidt, nationalists become ‘mobilised for forceful action’ if they perceive external physical threats or destabilising social change, especially when there is a threat to a group’s established political status. d There is a growing body of work looking at the influence of this sort of voter psychology in the Trump vote in the US, and the Brexit vote in the UK. e

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b. 63 per cent agree. Essential Research (2017c).
c. Haidt (2016b). Other framings of this divide include: the divide between ‘somewheres’ and ‘anywheres’ (see Goodhart (2017)); the divide between authoritarians and cosmopolitans (see Stenner (2009)); and the divide between liberals and conservatives (see Roberts (2015) and Hibbing et al. (2014)).
d. Haidt (2016a). See also Stenner (2009), who uses the term ‘authoritarian’ to refer to a similar response.
e. Goodhart (2017), Krueger and Jaeger (2016), Haidt (2016a) and Haidt (2016b); see Hibbing et al. (2014), Roberts (2015) and Stenner (2009), for earlier work on this topic.
intake over the last 10 years has been much higher than in previous decades, and has increased ethnic diversity, particularly in the cities.\footnote{120}{Daley et al. (2018, p. 32).}

These changes can be daunting. Some people are particularly nostalgic for a time when the groups they identify with seemed to have better and more certain lives.\footnote{121}{Rebecca Huntley, speaking about One Nation voters, cited in Marr (2017, p. 53).} They sense that things aren’t what they used to be.

These concerns are more prevalent among voters for minor parties. Minor party voters are more likely to believe life in Australia is worse compared to 50 years ago.\footnote{122}{In a 2016 poll, nearly 60 per cent of minor party voters said that life in Australia is worse today compared to 50 years ago. The next most pessimistic were Labor voters, about a third of whom felt that life is worse today. Greens voters were the most optimistic – 60 per cent believed that life is better today. Essential Research (2016e).} They wish that Australia could be more like it was in the past,\footnote{123}{67 per cent agreed in late 2016. Essential Research (2016f).} and they have little faith that the next generation will live better lives than their parents.\footnote{124}{Essential Research (2016g).}

One Nation voters are particularly pessimistic. A third of One Nation voters disagree with the statement that ‘Australia is a land of economic opportunity where in the long run hard work brings a better life’. A similar proportion are ‘very pessimistic’ about Australia’s future.\footnote{125}{Markus (2017, p. 82). Limitations of the survey data make it impossible to ascertain the views of voters for other minor parties on these questions. Appendix A.}

At the same time, minor party voters clearly want to protect the norms and historical narratives of ‘traditional Australia’. Minor party voters are more likely to oppose changing the date of Australia Day or modifying inscriptions on public statues to reflect a more ‘complete history’.\footnote{126}{One Nation voters are particularly strong on this point: 79 per cent take pride in an Australian way of life ‘to a great extent’,\footnote{127}{Compared to 71 per cent of Liberal/National voters, 51 per cent of Labor voters, and 32 per cent of Greens voters. Markus (2017, p. 83).} and 92 per cent strongly agree that maintaining an Australian way of life and culture is important (Figure 5.6 on the next page).\footnote{128}{Cultural anxiety about being ‘left behind’ can be a particularly potent political emotion if a group perceives that it once had power, but now does not (Box 9 on page 59).}

Some minor parties tap into these concerns by advocating ‘Australia-first’ policies. One of the three policy priorities of the Nick Xenophon Team is ‘Australian made and Australian jobs’.\footnote{129}{Nick Xenophon Team (2017b).} One Nation lists ‘Australian sovereignty’ as its second-highest principle, after the equal treatment of all Australians.\footnote{130}{It is also evident in some of the state-based advocacy of the minor parties, such as the Jacqui Lambie Network’s assurance that it is ‘putting Tasmania first’,\footnote{131}{Jacqui Lambie Network (2018a).} or in the Australian Conservatives’ Trump-like promise to ‘make South Australia great again’.\footnote{132}{Dornan (2018).}

5.3.2 Immigration is a lightning rod for broader cultural anxieties

The desire to take back control is also evident in attitudes to immigration. Minor party voters, and people in regional areas, are much
less likely to support immigration.\textsuperscript{133} Anti-immigrant sentiments are triggered when the new arrivals appear to pose a material or cultural threat (Box 10 on page 65). Focus group discussions suggest that worries about immigration may be linked to a fear that immigrants could undermine traditionally ‘Australian’ values or norms:\textsuperscript{134}

**Participant 1:** All the do-gooders seem to think that everyone has a right to live in Australia. They don’t want to abide by our rules. They bring their own rules.

**Participant 2:** My personal opinion is that when they come here they should speak our language and abide by our culture. It’s our country and if we went over to their place we’d have to abide by their rules.

Pauline Hanson echoed this sentiment in her 2016 maiden speech to the Senate, saying:

Tolerance has to be shown by those who come to this country for a new way of life. [But] if you are not prepared to become Australian and give this country your undivided loyalty, obey our laws, respect our culture and way of life, then I suggest you go back where you came from.\textsuperscript{135}

5.3.3 One Nation voters are less likely to support migration

A 2016 Essential Poll found that 38 per cent of minor party voters believe that multiculturalism has had a negative impact on Australia, \textsuperscript{133} Support for immigration and multiculturalism is high overall, Markus (2017, p. 65), but some groups are more concerned. Older people, people without a Bachelor’s degree, and people who are struggling to pay their bills are particularly concerned that the immigration intake is too high. Markus (ibid., p. 50). Similarly, elderly people (over 75 years-old), people who didn’t finish high school, and people who are struggling to pay their bills are significantly less likely to think that multiculturalism has been good for Australia. Markus (ibid., p. 65).

\textsuperscript{134} Discussion from a focus group held in regional Australia. IPSOS (2013, pp. 20–21).

\textsuperscript{135} ABC News (2016).
compared to 22 per cent of LNP voters (the next highest group). Essential Poll also found that 61 per cent of minor party voters believe that racial equality has ‘gone too far’, which was also substantially higher than any other voting bloc.

One Nation voters have particularly strong attitudes to migration (Figure 5.7 on the next page). About 50 per cent of One Nation voters believe multiculturalism has not been good for Australia, compared to 15 per cent of LNP voters (the next highest group). Mughan and Paxton (2006) argue that One Nation voters are motivated to support the party because they are concerned that migrants will not assimilate, and that multiculturalism will harm Australia’s culture.

But not all minor party voters are so hostile – One Nation voters are much more concerned about the impacts of migration than voters for other parties. Voters for Nick Xenophon’s party have attitudes towards migration in line with those of ALP voters. Survey data is too limited to discern the attitudes of voters for other minor parties, such as the Jacqui Lambie Network or Derryn Hinch’s Justice Party. But in aggregate, voters for these parties have similar views on migration as National party voters (Figure 5.7 on the following page).

5.3.4 Immigration features prominently in some minor party policy platforms, but not others

The policy platforms of minor parties vary considerably on immigration.

- One Nation supports zero net immigration, the abolition of the Racial Discrimination Act, and an end to multiculturalism.

Box 9: Resentment of loss of relative power can be a particularly potent political force

It is not surprising that the loss of power – economic, political and cultural – leads to strong emotions that can play out at the ballot box. Oppression and lack of power can drive protest movements. Loss of power can be an even more potent political emotion.

So it is no accident that Trump promised to ‘make America great again’, and that Brexiteers promised to ‘take back control’. Both movements explicitly appealed to those who believed things were better in the past. This explains, for example, why Brexit was broadly supported in regional England (where many believed that they once had power), but not in regional Scotland (where many believe they have had little effective political power at least since the Battle of Culloden in 1746).

The yearning for a past, before control was lost, may explain why regional Australians are less comfortable with the direction and pace of change, and are most likely to want to revert to ‘traditional’ values (Figure 5.10 on page 64). The more rapid changes in cities are reducing the relative economic, political and cultural power of regions.

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136. Essential Research (2016h). It is likely this number is mostly due to the particularly strong views of One Nation voters.
140. One Nation (2015e); and One Nation (2015f).
The Nick Xenophon Team supports ‘safe and orderly’ immigration to Australia, particularly among young skilled families and investors. The party also advocates a program to encourage immigrants to settle in regional areas where the population is declining.\(^{141}\)

As of November 2017, the Jacqui Lambie Network doesn’t have any policies on immigration on its website.\(^{142}\)

The Liberal Democrats are in favour of free immigration on principle, but they are against providing welfare to immigrants who settle in Australia. They also want to increase barriers to citizenship.\(^{143}\)

### 5.4 Taking back control has particular resonance in the regions

Concerns about the direction Australian culture is heading are more acute in regional Australia. The widening cultural gap between cities and the bush and the loss of relative economic and political power in the regions have proved particularly fertile ground for some minor parties, accounting for the higher, and faster rising, vote in the regions compared to the cities.

The high minor party vote in regional Australia correlates with many factors (Section 2.6 on page 22). The population of regional Australia typically has a lower income, has less tertiary education, works less in services industries and is older. Regional areas generally have fewer migrants, particularly from Asia and the Middle East. They have slower-growing populations, and so their share of economic, cultural and political power is falling.\(^{144}\) A challenge for analysis of minor party

\(^{141}\) Nick Xenophon Team (2017a).

\(^{142}\) Jacqui Lambie Network (2018b).

\(^{143}\) Liberal Democrats Party (2012).

\(^{144}\) Daley et al. (2017); PC (2017a); and Brett (2011).
voting is to identify which of these features might be driving voting behaviour.

5.4.1 The cultural gulf is widening between cities and regions

Australia’s regions and cities are becoming more culturally distinct.

The shift in employment patterns towards services jobs has led to the major cities drawing younger and more-educated people from the regions, as well as the majority of new migrants (Chapter 4). These patterns of population settlement are almost impossible for governments to reverse.\textsuperscript{145} The effect is harrowing for the people who remain in areas of decline. Many small country towns seem ‘[drained] of purpose’, with boarded-up shops, closed football clubs and shut down post offices providing a ghostly reminder of ‘grander days’ gone by.\textsuperscript{146}

Cities have also become increasingly ethnically diverse.\textsuperscript{147} New migrants are much more likely to settle in Australia’s cities (Figure 5.8 on the next page). In many city areas, more than 15 per cent of the population was born in Asia and more than 4 per cent in the Middle East and Africa. But in regional areas, less than 5 per cent of the population was born in Asia (Figure 5.9 on page 63) and less than 1 per cent in the Middle East and Africa.\textsuperscript{148}

Cultural power follows population. As the cities steam ahead, then inevitably films, television, and literature become less about \textit{The Man from Snowy River} and more about \textit{The Boat}. And the increasing cultural diversity of cities has led some to claim that Australia’s distinctiveness lies in ‘its ethnically mixed and culturally sophisticated capitals’.\textsuperscript{149}

This cosmopolitan identity is hard to reconcile with the image of a ‘true blue’ Aussie farmer – instead it celebrates an Australian way of life that is primarily found in the cities.\textsuperscript{150}

5.4.2 Regional Australians are more concerned about these cultural changes

People in regional Australia are less likely than those in the cities to embrace these cultural shifts. People in the regions are more likely to report feeling that ‘everything is changing too fast’, and ‘there is too little emphasis on traditional values’ in Australia (Figure 5.10 on page 64).

Anti-immigrant views are also more prevalent in regional Australia. More than 40 per cent of people in regional Australia think that the number of immigrants allowed into the country should be reduced, compared to just over 30 per cent of people in the city.\textsuperscript{151} The gap in attitudes isn’t getting wider,\textsuperscript{152} but negative attitudes may be more salient when the media or politicians focus on these issues.\textsuperscript{153}

\textsuperscript{145} Because these patterns emerge from structural changes in the economy and the associated change in business activity and the availability of jobs (Section 4.2.1 on page 41), it would be very expensive for governments to substantially change these patterns (Chapter 7).

\textsuperscript{146} Brett (2011, p. 21), PC (2017a, pp. 20-1) and RAI (2016). The Productivity Commission suggests that the loss of population could be especially problematic for small towns, because the people who leave were often pivotal figures in the community, for example leading sporting clubs or volunteer organisations (PC (2017a, p. 113)). Younger people are also more likely to leave regional Australia and move to the city (PC (ibid., p. 120)), which could contribute to the comparatively older populations in regional Australia (Daley et al. (2017)).

\textsuperscript{147} 83 per cent of Australians born overseas live in Australia’s cities, compared to 61 per cent of people born in Australia. Markus (2017, p. 1).

\textsuperscript{148} Daley et al. (2017).

\textsuperscript{149} Brett (2011, p. 39).

\textsuperscript{150} Ibid. (p. 40).

\textsuperscript{151} See also Markus (2017, p. 50).


\textsuperscript{153} Dowding and Martin (2017) find that immigration issues dominated the media agenda in 2010, when immigration concerns were highest. The federal (Labor)
Regional Australians are much more likely to believe that migrants increase crime and take jobs (Figure 5.11 on page 64). And they are less open to embracing different customs: 44 per cent of people in remote areas agree that we should do more to learn about the culture and customs of different ethnic groups in the country, compared to 65 per cent of city Australians.\footnote{52 per cent of people in outer or inner regional Australia agree. Data provided by A. Markus, from Scanlon Foundation Surveys 2017.}

Concerns about immigration are higher in the regions even though there are far fewer migrants there, especially from Asia, the Middle-East and Africa.\footnote{Daley et al. (2017).} Presumably, the lack of contact increases anxiety about people with unfamiliar cultural backgrounds (Box 10 on page 65).

5.4.3 People in regional areas feel ignored by politicians in Canberra

Exacerbating this cultural anxiety in regional Australia is the sense that changes put city agendas even more at forefront of politics. Around three-quarters of people in regional Australia feel ignored by politicians and policy makers.\footnote{Grattan analysis of Sheppard (2017), Fairfax Political Personas Project. 51 per cent of people in the city agree.}

Given the weight of electoral representation, it is not surprising that governments have made high-profile decisions adverse to regional interests on totemic policy issues that particularly affect regional Australia.\footnote{The growing reluctance to provide special assistance for regional areas (Brett (2011)) may be linked to the decline of ‘countrymindedness’ in Australian politics. Countrymindedness, first described by Atkin in 1985, is the idea that regional communities ought to be supported by governments because agriculture provides} Many in the regions resent the rapidly-imposed ban on live opposition increased its focus on immigration issues in 2005 and 2006, and concerns about immigrant numbers also rose. Legislative attention on immigration did not change much over the period.

154. 52 per cent of people in outer or inner regional Australia agree. Data provided by A. Markus, from Scanlon Foundation Surveys 2017.
156. Grattan analysis of Sheppard (2017), Fairfax Political Personas Project. 51 per cent of people in the city agree.
157. The growing reluctance to provide special assistance for regional areas (Brett (2011)) may be linked to the decline of ‘countrymindedness’ in Australian politics. Countrymindedness, first described by Atkin in 1985, is the idea that regional communities ought to be supported by governments because agriculture provides
Figure 5.9: Asian migrants are very concentrated in the cities
Population born in Asia, 2016, per cent

Notes: By SA3. Immigrants from Africa or the Middle East are also concentrated in the cities. Immigrants from Europe and from English-speaking countries are spread more evenly across the country. See our interactive maps. See Daley et al. (2017; Appendix A) for a discussion of map methodology.
Sources: Grattan analysis of ABS (2016).
Figure 5.10: Regional Australians are more worried about the cultural impact of social and economic change
Respondents who ‘agree’ or ‘strongly agree’, selected statements, 2016, per cent

Notes: Location is categorised into ABS 2011 Remoteness Areas using respondent postcodes. ‘Regional’ combines all non-major city areas. Error bars provide 95 per cent confidence interval of the estimated mean. See Appendix A for survey methodology.

Source: Grattan analysis of Sheppard (2017), Fairfax Political Personas Project.

Figure 5.11: Negative attitudes towards immigration set the regions apart from the cities
Respondents who ‘agree’ or ‘strongly agree’, selected statements, 2016, per cent

Note: Location is self-reported based on population. ‘Regional’ combines all towns and areas with a population of less than 100,000. Error bars provide 95 per cent confidence interval of the estimated mean. See Appendix A for survey methodology.

Source: Grattan analysis of AES (2016).
meat exports to Indonesia, and the allocation of water rights. As one focus group respondent put it:

> Although we live in a city, we're still in a very rural environment and yet that ruralness is slowly being taken away, slowly but surely now. They're destroying the dairy industry. They're destroying the beef industry. We're not going to be able to buy [Australian] beef... because we don’t kill them the right way.  

There is a growing sense that things are changing for people in the country, and that city-dwellers don’t understand the impact of the changes happening in their own backyard.

### 5.4.4 Some minor parties promise to restore political and cultural power to the regions

Regional Australians who feel left-behind or ignored by cosmopolitan elites in the cities have been attracted to minor parties.

Katter’s Australian Party focuses heavily on regional issues. In an interview with Leigh Sales after the 2010 election (at the time, Julia Gillard was negotiating with Independents to form a minority government) its leader Bob Katter noted:

> ...the position of rural Australia will be taken into consideration, which has not been the case over the last 12 years under the LNP and over the last three years under the ALP and the ALP previous to that. We were just not taken into consideration at all. The party system has served the big city interests, the big corporate interests,

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**Box 10: What causes anxiety about immigration?**

A heightened sense of threat, particularly when combined with a lack of contact, contribute to anti-immigrant sentiments, especially in regional Australia.

A sense of threat may be higher among those who perceive that they are competing with immigrants over finite resources, such as jobs, welfare benefits, or political power. It may also develop if immigrant groups become more visible, or if immigrant groups appear to not be following existing cultural norms.a

The sense of threat can be as important than the actual level of threat. For example, concerns about migrants typically go up when unemployment rises, rather than when migration levels actually rise.b Yet the best evidence is that immigration has little impact on unemployment.c

This sense of threat tends to be lower when people regularly come into contact with migrant groups. Contact between different people often increases empathy and understanding between them, and blends two separate groups – ‘us’ and ‘them’ – into one inclusive group: ‘we’.d Of course, meaningful contact is itself less likely when there is a pre-existing sense of threat between groups.e

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a. Eger and Bohman (2016, pp. 878–9, 881); Mughan and Paxton (2006); and Sniderman et al. (2004).


c. One recent study found that migration has had no material impact on unemployment in regional Australia (PC (2017a, pp. 194–197)). Breunig et al. (2017), find that immigration has not had a material impact on the wages and employment of incumbent workers.


but it has not served the interests of ordinary people, 30 per cent of us, which live outside of the major capital cities.159

After the 2010 election, regional Australians saw the political power that Independents and minor parties can bring. A high vote for minor parties can help a regional electorate get the attention of the government of the day – especially when the seat becomes marginal.160

Regional Independents such as Cathy McGowan, Tony Windsor, Rob Oakeshott and Andrew Wilkie have been successful in extracting commitments targeted at their electorates.161

Similarly, in the Queensland state election last year One Nation pushed for the Brisbane-based Cross River Rail project to be dumped in favour of building a coal-fired power station in North Queensland and investing in farming and agriculture projects.162

In consultations with Grattan Institute staff (Box 11 on the following page), a number of voters in regional Australia volunteered that they were attracted to minor candidates for this reason. Voters in Mildura and Whyalla felt overlooked because they were in a safe Nationals seat, and they looked wistfully towards the benefits that seemed to accrue to swing regional seats.

But it is important to note that the regional effect is stronger for some minor parties than others. Big-name minor parties – such as One Nation and the Nick Xenophon Team – gain higher support in the country than the city. However, very small minor parties and the Liberal Democrats tend to gain a consistent vote share in the cities and the regions.163

As noted in Chapter 2, this may reflect that minor party voters can have one of two very different motivations. Some are driven by falling trust in government; others (particularly those in regions) are concerned about ‘their’ group losing political, economic and cultural power relative to a cosmopolitan culture that increasingly dominates cities.

5.5 Summing up: Voters who feel left-behind support minor parties in an effort to ‘take back control’

Australia’s national identity is changing. As the country becomes more city-centric, cosmopolitan, and ethnically diverse, our collective ideas of what makes Australia unique have shifted.

Australia’s changing ethnic make-up is a big part of this. As noted by historian Judith Brett, ‘as the cities were socially and culturally transformed by migration, their residents started to argue that Australia’s distinctiveness lay not in its resourceful, friendly country folk but in its ethnically mixed and culturally sophisticated capitals’.164 Prime Minister Malcolm Turnbull often defines Australia as ‘the world’s most successful multicultural nation’.165

But regional communities, older people, and the less educated feel they have borne the brunt of the broad social changes wrought by economic rationalism and globalisation. For many, these changes have created a feeling of being left-behind as the rest of the nation prospers.166

161. To win over the Independents and form minority government, Julia Gillard promised to: fund a $9.9 billion package to support regional areas; implement poker machine reform (a particular concern for Andrew Wilkie); and implement a package of parliamentary reforms. Liddy (2010).
162. Walker (2017); and Dickson (2017).
163. The distinction between minor parties is most obvious in Queensland, where the vote for One Nation is strongly regional, whereas in aggregate the vote for other minor parties is pretty consistent across the state (Figure 2.5 on page 17).
165. Malcolm Turnbull used a version of this phrase six times in a recent appearance on the ABC. Q&A (2017).
166. PC (2017a).
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The major parties – including the Nationals – have struggled to respond to this sentiment. And so minor parties have filled this vacuum. Without the constraints of office, they have more scope to make big promises about restoring the Australia of old, and bringing prosperity and dignity to the regions. One Nation explicitly appeals to related concerns about immigration.

It seems likely this strategy has contributed to the rise in the minor party vote overall and particularly the increase in the vote in the regions relative to the cities (Table 5.1 on the following page).

Box 11: People in the regions feel left out of policy making

Community groups in Emerald, Mildura and Whyalla consistently told Grattan Institute that they feel shut out of policy making, as the big decisions that affect them are made far away in the cities. Many believed that policy choices were made without respect for the ‘history, social context, and future’ of regional communities.

Groups in Emerald suggested that people in Canberra don’t understand the unique context of regional Australia. As a result, the flow-on effects of policy change often aren’t properly considered. “People in regional Australia aren’t taken on the journey [of policy making],” one person said. Examples included: bans on live cattle exports, the ‘streamlining’ of regional health services, and poor design of community grants schemes.

In Mildura, the Murray-Darling Basin Plan was an especially prominent example of perceived ‘top-down’ political decision-making. Many locals believed that the community wasn’t adequately consulted on this issue of deep importance to them.

Groups in Whyalla were slightly more positive. Many felt they had good access to state and federal politicians. But some urged politicians to ‘walk the walk’, rather than simply ‘talking the talk’. As one person joked – “Don’t put your Akubra on and think you’re one of us”.

A concern that regional Australia is left out of politics was more consistent throughout Grattan Institute’s consultations than concern about immigration, worries about the expansion of social liberalism, or anxiety about the economy.
### Table 5.1: The politics of the 'left-behind' have played a role in the rise in the minor party vote, particularly in regional areas

<table>
<thead>
<tr>
<th>Cultural indicator</th>
<th>Gap in attitudes between minor and major party voters</th>
<th>Prominent on minor party platforms</th>
<th>Gap in attitudes between city and regional voters</th>
<th>City/regional gap getting wider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitudes to social liberalism</td>
<td>No</td>
<td>No, some opposition from minor party leaders</td>
<td>Not overall, some within regional difference</td>
<td>N/A: no discernible gap</td>
</tr>
<tr>
<td>Desire to protect 'traditional Australia'</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes; cities are changing faster</td>
</tr>
<tr>
<td>Attitudes to Immigration</td>
<td>Significant issue for One Nation, less so for others</td>
<td>Significant issue for One Nation, less so for others</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

*Note: Maroon indicates that the statement does not apply to the cultural indicator, orange indicates that the statement applies to the cultural indicator in some situations, and yellow indicates that the statement applies to the cultural indicator.*
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6 Does distrust in government and politicians help drive the minor party vote?

Culture and economics are insufficient to explain the rise in the minor party vote. The best evidence is that the rising minor party vote is largely driven by declining trust in government: the growing belief that government is increasingly conducted for the interests of the rulers rather than the ruled.

Falling trust in government loosely correlates in time with the rise in minor party vote. People who vote for minor parties are much more likely than other voters to distrust government. The rhetoric of minor parties often claims they are needed to ‘drain the swamp’, and institutional reforms are often prominent in minor party platforms. These trends are also evident internationally where the minor party vote is rising.

Trust in politicians, media and business is also falling. Trust in established political parties is particularly low, and voters are less likely to be loyal to a party than in the past. And dissatisfaction is widespread, with similar levels of distrust among people, irrespective of location, education, or income.

Less trust in government stems partly from changes in the media. It may also reflect the reality that a number of government institutions are more influenced by vested interests than in the past, and less open to the broader public.

Those who are disillusioned are much more likely to vote for minor parties. Wanting to see significant changes to Australia’s political system, they are drawn to outsider parties that promise to ‘keep the bastards honest’. More than culture or economics, voter disillusionment in our system of government explains the growing appeal of minor parties over the past decade.

Figure 6.1: Cynicism about politics has risen strongly since 2007
Respondents who ‘agree’ or ‘strongly agree’ with selected statements, per cent

Sources: Cameron and McAllister (2016); see also Markus (2017).
6.1 Trust in political institutions is declining in Australia and around the world

Trust in institutions is low around the world. The 2018 Edelman Trust Barometer found that more than two-thirds of the 28 countries surveyed are ‘distrusters’ – in these countries, less than 50 per cent of the population trust the key institutions of business, government, media and NGOs.\textsuperscript{167} The Edelman work suggests that media is the least trusted institution, followed very closely by government.\textsuperscript{168}

Trust has been in freefall for a decade. Edelman argues that ‘a trust implosion’ followed the Global Financial Crisis in 2008.\textsuperscript{169} Australia didn’t escape the fall-out: since the 2007 election, there has been a 10-percentage point increase in the share of voters who believe people in government look after themselves and don’t know what ordinary people think, and that government is run by a few big interests. Forty per cent of voters are unsatisfied with the way democracy works in Australia, an increase of 25 percentage points since 2007 (Figure 6.1). And today only 14 per cent of people agree Australia’s system of government ‘works fine as it is’ – nearly everyone else thinks it needs at least some reform.\textsuperscript{170} Although Australians have always been sceptical of people in power, and parliamentarians in particular,\textsuperscript{171} something different is going on this time.

Trust in Australia’s key institutions has also decreased rapidly.\textsuperscript{172} Levels of distrust are now only 4 percentage points away from the world’s least

\textsuperscript{167} Edelman (2018, p. 6). A little more than 50 per cent of countries were distrusters in 2016, Edelman (2016, p. 9).
\textsuperscript{169} Edelman (2017).
\textsuperscript{170} 42 per cent believe Australia’s system of government needs minor change, and 41 per cent say the system needs major change or should be replaced. A further 3 per cent are unsure. Markus (2017, p. 40).
\textsuperscript{171} Markus (2014).
\textsuperscript{172} Spurr (2017).
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The Australian public largely continues to trust some major institutions such as the armed forces, the public service and the courts, even as trust in other key institutions is in decline (Figure 6.2).

Disillusionment is widespread, but some voters trust government less than others. Men, middle-aged people, non-tertiary educated people, and those struggling to pay bills are somewhat less likely to think people in government can be trusted to do the right thing. These groups are also more likely to believe that Australia’s system of government ‘needs major change’ or ‘should be replaced’. Satisfaction with democracy does tend to increase with income (excluding retirees) and age. But there is little difference by education or geography (Section 6.6 on page 75).

6.2 The major parties bear the brunt of public distrust

Distrust in government manifests as distrust of the two major political parties. After the record minor party vote in the 2016 federal election, one commentator noted:

\[ \text{... the dam wall of public dissatisfaction with the major parties and their disconnected way of ‘doing’ democracy is near-to-bursting.} \]

Voters are especially wary of ‘silver tongues’ in the major parties, who seem to say whatever it takes to win office. Around two-thirds of people

\[ 173 \text{. Out of the 28 countries surveyed, only Poland, the UK, Ireland, South Africa, Japan, and Russia had lower levels of trust in key institutions than Australia. Edelman (2018).} \]

\[ 174 \text{. Markus (2017, pp. 38–40). Most of the differences were not statistically significant, except for people who are struggling to pay their bills. Essential Research (2018) found people aged 55+ were more likely to think the system needs to be ‘refined’ (but not fundamentally changed).} \]

\[ 175 \text{. AES (2016).} \]

\[ 176 \text{. Triffitt (2016).} \]
believe major party politicians will promise anything to win votes, and only a third believe they will follow through on their word. More voters associate the major parties with negative attributes than positive ones (Figure 6.3 on the preceding page).

Public ambivalence towards Liberal and Labor has led some to question whether parties are necessary to make the political system work. About 20 per cent of people don’t believe that it matters who is in power, or that who they vote for can make a difference. 9 out of 10 people believe they have no influence over the federal government, and 7 out of 10 say the same about other levels of government.

The distrust with major political parties is reflected in lower voter loyalty (Figure 6.4). The proportion of voters who have always supported the same party fell to 40 per cent in 2016 – its lowest point since 2004. Voters are also less likely to follow party ‘How to Vote’ cards for the lower house. And more voters are hedging their bets at the ballot box by voting for one party in the House of Representatives, and another in the Senate.

### 6.3 The minor party vote rose when people were more dissatisfied with democracy

The minor party vote rose over the past decade as people became less satisfied with the political system. It also increased alongside other

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177. 67 per cent and 69 per cent of people believed the Liberal and Labor parties will promise to do anything to win votes, respectively. Essential Research (2017g) and Essential Research (2017h).

178. Just 65 per cent of people agreed after the 2016 election that political parties are necessary for Australia’s political system to work. This was the lowest rate of agreement since the question was first asked by the *Australian Election Study* in 1996. Cameron and McAllister (2016, p. 60).

179. Ibid. (pp. 77–78).


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measures of political disillusionment: growing distrust, and people believing the government doesn’t understand what ordinary people think.

Dissatisfaction with democracy increased by 15 percentage points between 2007 and 2010, and the minor party vote increased a little in the 2010 election (Figure 6.5). Dissatisfaction with democracy increased further over the following three years, while the minor party vote had its largest increase on record.

In contrast, the minor party vote fell between the 2004 and 2007 elections, coinciding with an improvement in the standing of government. Trust rose, and other measures of political cynicism temporarily declined. It is possible Kevin Rudd’s popularity in the ‘Kevin 07’ election generated broader goodwill towards Australia’s political institutions. Or that people felt empowered by the choice offered by the major parties at the election, increasing their satisfaction with the process and slightly reducing the vote for minor parties.

6.4 Minor party voters are particularly disillusioned

Compared to Labor and Coalition voters, minor party voters are more likely to believe that Australia’s economic and political institutions require ‘fundamental change’. They are less likely to believe that the government understands or cares about the needs of ordinary people, they trust politicians less, and they are less satisfied with democracy (Figure 6.6).

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182. A more specific question – “How often do you think the government in Canberra can be trusted to do the right thing for the Australian people?” – also shows trust falling in 2010 (with only 31 per cent of the population believing that government will do the right thing almost always or most of the time). Markus (2017, p. 37). This measure has not deteriorated much since – possibly because it is now so low that it would be difficult for it to fall any further.

Figure 6.6: Minor party voters are particularly disillusioned
Respondents who ‘agree’ or ‘strongly agree’ with selected statements, by party voted for in the Senate, 2016, per cent

Notes: Error bars provide 95 per cent confidence interval of the estimated mean. See Appendix A for survey methodology.
Sources: Grattan analysis of AES (2016).

Figure 6.7: Low trust distinguishes minor party voters more than their left-right attitudes
Trust index by left-right position, 2016

Notes: Left-right political leaning is self-reported on a 0-10 scale, with 5 neither left nor right. Estimates by party are means. Trust index combines views on satisfaction with democracy, and whether the government: knows what ordinary people think; cares what ordinary people think; is run for a few big interests. See Appendix A for survey methodology.
Sources: Grattan analysis of AES (ibid.).
Minor party voters are distinct in their distrust of government (Figure 6.7 on the previous page), whereas their attitudes to social issues (Chapter 5) and economic views (Chapter 4) are not particularly different from voters for major parties.

Greens voters tend to sit somewhere in the middle: their levels of trust are closer to voters for the Labor and Liberal parties (Figure 6.7), but they are closer to minor party voters in their belief that the system requires change. And unlike the other major parties, The Greens haven’t lost votes as the minor parties have risen; their Senate vote between the 2004 and 2016 election was largely unchanged (Box 2 on page 10).

6.5 Minor parties want to ‘drain the swamp’

Institutional reform is a major component of minor party policy platforms:

- The Jacqui Lambie Network promises to ‘Clean Up Canberra’ by reforming lobbying and political donations laws, adjusting politicians’ wage entitlements, and installing a federal corruption watchdog.

- Government and corporate accountability is also a focus of the Nick Xenophon Team. It advocates greater transparency on entitlements, and an anti-corruption watchdog.

- One Nation supports Citizen-Initiated Referendums, which would allow Australians to petition the government to act on a given issue.

- The Liberal Democrats also support Citizen-Initiated Referendums, as well as increased government transparency, and an anti-corruption watchdog.

These types of reforms tap into voter disillusionment and the sense that the status quo is not working for ordinary citizens.

It is perhaps no accident that two of Australia’s most prominent independents – Nick Xenophon and Andrew Wilkie – came to power campaigning against poker machines. While there is ample evidence of the problems poker machines cause, and limiting them is generally popular in the electorate, major political parties have done little. Thus is it easy to argue that the poker-machine industry is run for a few large interests, at the expense of the public interest.

6.6 Falling trust does not explain why the minor party vote is growing faster in regional Australia

While falling trust in government may explain the general rise in the vote for minor parties, it does not explain why the vote for minor parties has increased particularly rapidly in the regions. Regional Australians distrust government more than people who live in the city, but the difference is relatively small and it has not been widening over time (Figure 6.8 on the next page).

186. Nick Xenophon Team (2017b).
187. The Productivity Commission says electronic gaming machines are “likely the source of most gambling problems in Australia”. Features of machines, such as the ability to play alone, the fast pace, and the tendency for players to lose contact with reality, increase the risk of problem gambling. PC (2010, pp. 25–26); see also Livingstone and Woolley (2007), Livingstone (2015), Livingstone (2017), Storer et al. (2009) and Thomas et al. (2017).
188. Donaldson et al. (2016, p. 251); and Thomas et al. (2017).
189. Doughney (2012); and Harrison (2013).
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On other indicators of trust in government, there is little difference between cities and regions. For example, the number of people who believe the government is run for a few big interests is consistent across cities and regions and has been for some time. One small point of difference is the belief that Australia’s political system needs fundamental change: 45 per cent of people outside the capital cities believe this to be true, compared to 38 per cent in the cities.

6.7 Causes of disillusion

Why is trust in government falling? A detailed investigation is beyond the scope of this report, but it is not hard to find explanations for both the perception and the reality that rulers are acting less often in the interests of the ruled.

People are less trusting of expertise. Politicians have become part of a self-reinforcing cycle of over-promising and under-delivering. The major political parties are less representative of the general population. Vested interests play a more prominent role in public debate – and they spend more money doing so. There are many questions about the role of political donations. Media stories abound of misuse of parliamentary entitlements. And the more rapidly-revolving door between political office and lobbying positions increases concerns about both self-interested behaviour and the power of vested interests.

Individually, none of these issues might be fatal to trust in government, but it is easy to see why collectively they might lead to rapidly falling trust in government. And the failure to implement significant reform to donations, politicians’ entitlements and post-political employment, despite the issues raised over the past few years, reinforces distrust.

Figure 6.8: Trust is falling across the board, not just in the regions
Respondents who ‘agree’ or ‘strongly agree’ with selected statements, per cent

![Graph showing the decline in trust in government across different regions from 2004 to 2016](image)

Notes: See Appendix A for survey methodology.

191. AES (2016).
192. The difference is not statistically significant, however. Markus (2016, p. 40). And the gap is not wider than when the question was first asked (though both cities and regions are increasingly likely to agree). Markus (2014, p. 33).
6.7.1 Media and expertise

People are increasingly sceptical of experts. Digital media have made it easy for people to seek out contrarian voices and (often unknowingly) avoid information that challenges their world-view. And where government does make mistakes, these are exposed much more quickly and widely than in the past, as illustrated by the rise of ‘fact-checking’ units.

6.7.2 Over-promising

Governments increasingly disappoint voters. Politicians are inevitably pressed to solve each pressing social ill. Successive governments have promised to make housing more affordable, reduce power bills, increase jobs and growth, and develop regions. But both major parties have over-promised and under-delivered.

Government never had instant solutions that would quickly make a big difference to these sorts of issues that tend to be at the forefront of voters’ minds. And some of the challenges in delivery are largely invisible to voters, such as the need for federal government to coordinate with the states in areas such as energy policy.

While incumbent governments happily take credit for employment growth, and oppositions make hay with economic downturns, much of Australia’s economic performance reflects global factors beyond government control. And as a result of deregulation and privatisation, governments have less direct control over the economy.

Politicians thus tend to raise ‘great expectations’, and then dash them – increasing voter cynicism.

6.7.3 Unrepresentative democracy

Our political parties are less representative of the general population than in the past. Party members are now only a very small fraction (about one in 200) of the population. The best available evidence is that the ALP has about 55,000 members, while estimates for the Liberal Party (including the Queensland LNP) range from 40,000 and 80,000 members.

193. Nichols (2017), Lamberts (2017) and M. Smith (2017). Some of the fall has been reversed in recent years – the Edelman (2018) reports that trust in journalists, CEOs, and board executives increased since 2017. But the sense that ‘people have had enough of experts’ is often exploited by anti-establishment parties and candidates to draw distinctions between ‘ordinary citizens’ and the ‘political establishment’ (quoted in Mance (2016), see also Clarke and Newman (2017) and Nelson (2017)). In Australia, One Nation politicians are well known to question expert opinion. Pauline Hanson sparked controversy last year by advising parents to ‘go out and do their own research’ on vaccines and autism (O’Malley (2017)), and former senator Malcolm Roberts gained international notoriety after an appearance on Q&A where he debated the science on climate change with particle physicist Professor Brian Cox. ABC (2016).

194. Becker et al. (2017); and Hawdon (2012).


196. Of course, governments can affect the economic performance of the economy in the short term through expansionary fiscal policy – running budget deficits – or in the longer term through economic reforms or infrastructure spending that enhance the productive capacity of the economy. But the effects tend to be small relative to economic growth that would happen anyway. Daley et al. (2012).


198. Party membership numbers are notoriously difficult to pin down, because parties keep exact figures secret – especially if they are embarrassingly low. The Liberal Party claims on its website (Liberal Party of Australia (2018)) to have 80,000 members nationally, but just a few years ago a party member estimated that the number is closer to 40,000-45,000 (Bramston (2015)), which is closer to earlier estimates (C. Alexander (2013), McAllister et al. (1997) and I. Ward and Stewart (2010)), but not earlier statements on the party website (Cross and Gauja (2014)). Membership figures for the ALP have hovered between 37,000 and 55,000 for a long time (Bracks et al. (2011), Bramston (2015), Cross and Gauja (2014) and Shorten (2014)). In 2010 an internal ALP review found the party was facing ‘a crisis of membership’ (Bracks et al. (2011)), but party reform appears to have improved membership numbers in recent years (Bramston (2015)). Based on returns to the NSW Electoral Commission, in NSW in 2015 the Liberal Party
The demographics of these members are unrepresentative of the population. As a Liberal Party report reflected, “our membership is ageing and declining”. At the time, the average age of Victorian Liberal Party members was 62. Similarly, an internal review conducted by the ALP reflected, “Throughout the Review process and in every part of Australia, the Review Committee was continually reminded by members that the membership of the Party is ageing.” Between 1999 and 2009, the NSW wing of the ALP closed more than 100 branches, many of them in regional areas. And almost all members of the ALP are union members, even though union membership in Australia has fallen rapidly to about 15 per cent of employees, and 6 per cent of the population.

Politicians themselves are also less representative, in the sense that their backgrounds are narrower than in the past. They are increasingly drawn from a professional political class rather than broader walks of life. Others have little work experience outside being political staffers or trade union officials. It is almost unimaginable that Australia today would have a prime minister who had actually driven a train.

People in regional Australia are especially likely to think that Australia’s democracy is unrepresentative. Historically, the National Party has been key to ensuring that regional issues get represented in parliament. Due to the long-standing partnership with the Liberal Party, the Nationals have gained portfolios that allow them to influence policy in favour of their constituents. But while many of their parliamentarians have been successful advocates for the bush, there may be a growing perception that some have “succumbed to the allure of the white car”, and overly toe the Coalition (or Liberal) party lines.

Botterill and Cockfield (2015, p. 115) argue that Nationals’ support for Liberal Party economic and social agendas has forced the Nationals to step away from their traditional values of regional exceptionalism, ‘countrymindedness’ (Chapter 5), and agrarian collectivism.

The authors suggest this threatens to undermine the party’s ideological coherence. If regional voters don’t believe that they will receive adequate representation by the Nationals, they might be more likely to turn to independents or minor parties to fulfil this role.
6.7.4 Favouring vested interests at the expense of the public interest

Political decisions often convey the appearance – and quite possibly the reality – that they have been swayed primarily by vested interests rather than the public interest. It would be understandable if a substantial proportion of the electorate was nervous that powerful business interests rather than the public interest were dominating decision making on issues such as the mining super profits tax, poker machine regulation, reduction in television licence fees, pharmacy regulation, financial services regulation, and property development. Similarly, many voters remain unconvinced that they will gain from the privatisation of government assets, despite the economic benefits these changes can bring.

Whether or not government has in fact made good decisions in the overall public interest in these areas, the collective impression is that the voices of vested interests were loud in the debate, and often successful.

In the US, vested interests have increased the amount they spend on lobbying government, not least because previous lobbying investments have yielded high returns. There is no equivalent study that shows that Australian corporates have increased their spending on government relations. However, they appear to expend very substantial resources on in-house government relations experts, industry associations, and third-party lobbyists – often with revolving doors to politicians and their advisers. Many people believe that vested interests get a lot more ‘air time’ with politicians than do ordinary voters.

Donations to political parties have been more prominent in the media over the past few years. With a few high-profile exceptions, there is next to no evidence that political donations are made in exchange for particular undertakings. But as the saying goes, ‘you never bribe a person when you need them’; instead, ‘you give in order to get back’. The real concern is that donations create a relationship of obligation that in the future will provide at least an opportunity to influence.

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211. 70 per cent of respondents in Essential Research (2015) agreed that “privatisation mainly benefits the corporate sector”, and that “prices always increase more when services are privatised”. Just one-in-four respondents agreed that selling public utilities would help the economy.

212. PC (2014, p. 33) found that privatisation of utilities is the preferred policy option when the objective of reform is to achieve the most efficient management of assets.

213. R. M. Alexander et al. (2009) found that firms which had lobbied for a tax holiday on repatriated earnings in the American Jobs Act of 2004 gained $220 for every dollar spent. The ‘Strategas Index’ – inspired by this study – looks at the returns to lobbying for the top 50 firms that lobby most intensely. Between 2002 and 2015 the Index outperformed the S&P500 by 11 per cent per annum (The Economist (2011) and Wells and Chemi (2015)).

214. The proportion of people who agree with the statement that ‘government is run by a few big interests’ is at its highest level since 2004 (Figure 6.1 on page 69).

215. Some business people are remarkably open about the potential relationship between donations and political influence. In an interview with *Four Corners* last year, Luca Belgiorno-Nettis, managing director of Transfield Holdings, said of donations ‘do ut des’: (you give in order to get back), that it was ‘fairly plain’ that Transfield Holdings made political donations to get access to politicians and influence events, and that it would be ‘difficult to deny’ that donations helped the company gain a contract worth $750 million to build the Sydney Harbour Tunnel. K. Murphy (2016). A former treasurer of the NSW and federal Liberal parties says that Australia’s political donations system creates potential for donors to ‘have an expectation of some kind of policy or other outcome in view of their donation’. Yabsley, Steketee (2015), see also W. Smith (2014).
The NSW\textsuperscript{216} and Victorian\textsuperscript{217} governments have tightened donation regimes, and some states are moving towards real-time on-line disclosure.\textsuperscript{218} But the Commonwealth has not significantly limited donations. Donations to parties at the national level are not disclosed for up to 18 months, despite government using the internet for everything from tax returns to government tendering. And many would argue there are too many loopholes in the disclosure regime that allow donors to avoid transparency.\textsuperscript{219}

\subsection*{6.7.5 Benefits to politicians at the expense of the public interest}

Trust has also been eroded by the perception that politicians don’t always use public funds in the public interest. Public cynicism about politicians and their motives is fed by stories of MPs abusing their entitlements and appointing their former colleagues into generously paid, taxpayer-funded roles.\textsuperscript{220}

216. In the wake of a series of public scandals, NSW introduced a ban on political donations by property developers in 2009. In 2010 the ban was expanded to include tobacco companies, for-profit liquor and gambling enterprises, and the caps on politicians’ expenditure and entitlements were lowered. NSW Electoral Commission (2017).

217. Premier Daniel Andrews has pledged to legislate the ‘strictest donations laws in the country’, which should be in place before the November 2018 Victorian election. The proposal is to cap donations at $4000 to political parties, associated entities and third-party campaigners over a four-year term. Foreign donations would be banned, and every donation of $1000 or more would be declared. RMIT ABC Fact Check (2017) and Ng (2017).


220. Almost three-quarters of surveyed individuals agreed ‘people in government look after themselves’, the highest level since 2004 (Chapter 6).

Parliamentary entitlements are significantly greater than those provided to employees of other organisations,\textsuperscript{221} and stories about their abuse have been prominent in recent years. In the past five years, two speakers of the House of Representatives and a minister resigned after media stories about car rides to wineries, a helicopter flight from Melbourne to Geelong, and repeated flights to the Gold Coast.

Inherently, misuse of entitlements symbolises politicians looking after their personal interests at the expense of the public interest. This may explain why the media and public are so fascinated with expenditures that are very small relative to total government spending – total Commonwealth spending on politicians’ entitlements was only $178 million in 2016-17.\textsuperscript{222} The number of news stories about politicians’ entitlements peaked in 2015, and remains high by historical standards.\textsuperscript{223}

And the appointment of former politicians into public roles can also erode trust. A significant number of paid positions on the boards of government instrumentalities and bodies such as the Administrative Appeals Tribunal (AAT) are occupied by former politicians.\textsuperscript{224} It is not obvious that politics in fact provides these politicians with particular skills in either business or administrative decision-making.

Suspensions of overly close links between politicians and vested interests are reinforced when politicians take up lobbying roles soon after their departure from politics. For example, within a year of leaving

221. For example few employers pay for the travel of family members, an entitlement of Commonwealth parliamentarians.


223. As of December 2017. Factiva search for news articles of ‘entitlements’ within five words of ‘politicians’ or ‘political’ or ‘party’ or ‘ministers’ or ‘taxpayer funded’ and containing the words ‘scandal’ or ‘misuse’ or ‘controversy’ or ‘abuse’ (Dow Jones (2018)).

224. Grattan analysis of the 2017 appointees to the AAT suggests that 8 per cent have known ties to political parties (former parliamentarians or staff).
politics, the former Minister for Broadband, Communications and the Digital Economy took up a role representing the Australian gambling industry,\textsuperscript{225} the former Minister for Trade took on a consultancy role with the owner of the Port of Darwin (although he denies that this involved any lobbying role in Australia),\textsuperscript{226} and the former Minister for Small Business became executive chairman of the peak body for franchisors.\textsuperscript{227}

\textbf{6.7.6 Lack of accountability when things go wrong}

Public suspicion of the major parties is fuelled by a sense that parliamentarians aren’t being held accountable for poor behaviour.\textsuperscript{228} Examples of politicians getting away with doing the wrong thing give the impression that the political system lacks integrity. The situation is worse when politicians seem to avoid blame by using weasel words to escape responsibility for their actions. Changes in the media landscape (see Section 6.7.1) may make the public more aware of this sort of behaviour than in the past.\textsuperscript{229}

\textbf{6.8 Summing up: Dissatisfaction with government provides fertile soil for minor parties}

When disillusionment with the political system crosses a threshold, people can respond by choosing not to vote in elections, or by voting informally, or by supporting candidates who might instil institutional change.\textsuperscript{230} Voters may be more likely to choose the last two options in countries where voting is compulsory,\textsuperscript{231} including in Australia.\textsuperscript{232} As a result, the link between falling trust in government and a rising minor party vote may be particularly strong in Australia.\textsuperscript{233}

The data fits the theory. Falling trust in government loosely correlates in time with the rise in minor party vote, policies aimed at institutional reforms are prominent in minor party platforms, and minor party voters are more likely to distrust government. All the signs suggest that disillusionment is an important driver of minor party support in both the cities and the regions (Table 6.1 on the next page). Trust does not, however, explain why the minor party vote is rising faster in regional areas. Trends in minor party voting in regional Australia are influenced by the sense that regional Australia is being ‘left-behind’ economically and culturally (see Chapter 4 and 5).

\begin{itemize}
  \item \textsuperscript{225} Willingham (2016).
  \item \textsuperscript{226} McKenzie and Massola (2017).
  \item \textsuperscript{227} Waters (2016).
  \item \textsuperscript{228} Evans et al. (2017).
  \item \textsuperscript{229} Grattan (2014).
  \item \textsuperscript{230} Hirschman (1970); Hetherington (1999); and Bélanger and Nadeau (2005).
  \item \textsuperscript{231} Hooghe et al. (2011); and Hooghe and Dassonneville (2016).
  \item \textsuperscript{232} AEC (2016b); and Bélanger (2017, p. 246).
  \item \textsuperscript{233} Bélanger (2017); and Bélanger (2004).
\end{itemize}
Table 6.1: Growing disillusionment could explain the rapid rise in support for minor parties overall

<table>
<thead>
<tr>
<th>Trust indicator</th>
<th>Gap in attitudes between minor and major party voters</th>
<th>Prominent on minor party platforms</th>
<th>Gap in attitudes between city and regional voters</th>
<th>City/regional gap getting wider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust in parliamentarians</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes, but small</td>
<td>No</td>
</tr>
<tr>
<td>Satisfaction with democracy</td>
<td>Yes</td>
<td>Yes, emphasis on representative democracy and parliamentary reform</td>
<td>Yes, but small</td>
<td>No</td>
</tr>
<tr>
<td>Desire for the system to be ‘fundamentally changed’</td>
<td>Yes</td>
<td>To some extent. Most aim to reform the system</td>
<td>Yes, but small</td>
<td>No</td>
</tr>
</tbody>
</table>

Note: Maroon indicates that the statement does not apply to the trust indicator, orange indicates that the statement applies to the trust indicator in some situations, and yellow indicates that the statement applies to the trust indicator.
7 What should governments do?

Why does a rising vote for minor parties matter?

The overall rise in the minor party vote primarily reflects growing voter distrust in politicians and political parties. And many regional voters are also reacting to a growing cultural divide between cities and regions. Economics is less important, but voters concerned about keeping their job are more likely to be politically volatile.

Of itself, a rising minor party vote is not necessarily bad. If existing political parties are replaced by others that better reflect the popular will and public interest, then democracy is working.

The rising minor party vote – properly understood – may encourage existing major parties to enact reforms in their own long-term self-interest that would also be in the public interest. Policies that actually increase trust in government and improve social cohesion would be both worthwhile ends in themselves, and the means to increase the appeal of major parties in the long term. And policies that narrow the city-regional cultural divide would increase social cohesion and reduce the appeal of counter-productive isolationism. But if major parties fail to enact such reforms, then current trends suggest that democratic electorates will ultimately rebuild governments without them.

7.1 Current trends may reshape the political landscape

The minor party vote is reaching levels that have historically reshaped the political landscape. In itself this is not necessarily a bad thing, but it’s obviously concerning to incumbent major political parties. As former ALP advisers Lachlan Harris and Andrew Charlton point out, on the three previous occasions that the minor party vote in the House of Representatives reached 25 per cent (as it did in 2016 if The Greens are regarded as a minor party), there has been a major political realignment (Figure 7.1 on the following page).234

Electoral arithmetic explains why a minor party vote around 25 per cent is prone to reshaping parties. Below that level, most single-member electorates remain primarily a contest between the two major parties. Above that level, and the minor party vote in a number of individual electorates will be more than 30 per cent. And in those electorates, either minor party preferences are determinative, or the candidate of one of the major parties runs third and there is a good chance that the leading minor party candidate will be elected.

These dynamics played out in the recent Queensland election. With a minor party vote of 31 per cent, election analyst Antony Green described it as “one of the toughest elections to call” in his nearly 30-year career.235 A large number of seats became three-way contests. Minor parties ultimately won six out of 93 seats, but could easily have won many more.

Political realignment is even more likely when a single party aggregates most of the minor party votes, as appears to be happening in South Australia.236 In France, President Macron’s En Marche! Party was only formed in 2016, but in 2017 it won 49 per cent of the vote and 61 per cent of the seats in the final round of voting from the National Assembly, in alliance with the Democratic Movement.237

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7.2 Rebuilding trust

Incumbents are more likely to reduce the minor party vote if, so far as possible, they address the increasing mistrust of government, which appears to be the dominant driver of the increasing minor party vote.

As discussed in Section 6.6, factors that increase distrust and which politicians could alter include:

- **Over-promising**, and failing to be honest about the limits to government’s ability to improve outcomes;

- **Unrepresentative democracy**, with party memberships that are less representative of the population, and politicians drawn from increasingly narrow backgrounds;

- **Favouring vested interests** at the expense of the public interest – or at least being seen to do so – because of insufficient controls on lobbying and political donations;

- **Benefits to politicians** at the expense of the public interest, such as parliamentary entitlements out of step with community norms, appointments of former politicians to public bodies, and inadequate control on former politicians being employed in lobbying roles.

Addressing these issues primarily requires institutional reforms to parties and to government.

It might also require reforms to ministerial access. For example, reducing the influence of vested interests might require developing better protocols for balancing sources of information, and boosting the voices of expert public servants. A federal anti-corruption body similar to those that already operate in several states might further enhance public confidence.\(^{238}\)

\(^{238}\) Aulby (2017); and IBAC (2017).
Reforms that addressed these issues would probably improve both the quality of government and trust in government. They would be in the long-term self-interest of major parties, and be in the public interest too. Nevertheless, there has been little progress on many of them for decades because they would run counter to the interests – in the short run at least – of incumbent parties.

Reforms might also allay concerns that foreign governments and interests can influence Australian domestic politics inappropriately. If controls on political donations and lobbying do not limit domestic actors enough, then there also tends to be too much space for foreign actors to influence Australian governments.

Reforming the way citizens engage with Australia’s democracy could alleviate growing dissatisfaction with the political system.

7.3 Narrowing the cultural divide

As well as reflecting falling trust in government, the minor party vote is rising particularly fast in regions, reflecting the widening cultural divide between regions and cities. Although incomes per capita are rising as quickly in regions as in cities, populations are growing more slowly – if not shrinking – in many regional areas (Section 4.2.4 on page 44). Migrants, increasingly from Asia and the Middle East and Africa, are almost all settling in cities (Section 5.4.1 on page 61). And so some people in regions resent the perceived loss of economic, political and cultural power to those who live in cities (Section 5.4.1).

While governments can’t do much to change the population and economic trends, they can improve regional services, increase region-city interactions, and reduce (rather than inflame) concerns about migrants.

7.3.1 Promoting social cohesion

The rising minor party vote in regions is not in itself undesirable. There is nothing inherently bad about voters supporting new parties because they believe that they will better reflect their economic, political and cultural interests.

But if people in regions see themselves as having fundamentally different values to those in cities, then it is harder to maintain social cohesion. Social cohesion provides all kinds of benefits, not least a society in which individuals are prepared to compromise what they see as their self-interest for continued participation in the larger community. Democracy relies on citizens being prepared to make these kind of compromises.

7.3.2 Promoting economic development

In part cultural divides stem from city populations growing faster than regions. Many inland regions more than two hours from state capitals are losing population. The geography of economic growth largely reflects employer choices: being close to many other businesses in a city usually outweighs lower labour and land costs in regions (Chapter 4).

Stopping or reversing these trends is not an option. Governments have tried unsuccessfully for decades to fight against the economic forces of centralisation. Shifting jobs and people from the cities to regions – for example through incentive payments – has proved akin to pushing water uphill. Direct government expenditure on projects can create short-term employment, but it does little to support long-term sustainable growth in regions. And transferring government agencies

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239. See debate highlighted in Lowy Interpreter (2017).
240. See the newDemocracy (2018) for an example.
to regions usually inflicts big disruption costs on the agency, for relatively little increase in regional employment.243

Nor are infrastructure projects likely to have much impact. Over the past decade Commonwealth and state governments spent far more on infrastructure projects in regions than capital cities relative to either population, population growth or economic activity.244 Nevertheless, population and economic activity continue to concentrate in large cities.

As the Productivity Commission recently recommended, governments should focus on people-based interventions in regions – supporting people in regional communities to adjust to changing economic circumstances.245

### 7.3.3 Improving services

Something governments do control is the level of services. Smaller and slower-growing parts of rural and regional Australia should retain access to a minimum level of services – such as schools, hospitals, transport and other community facilities. Governments in fact tend to spend more per capita on these services in regions (Figure 4.14 on page 47), but outcomes are often worse, largely because they lack economies of scale. But in many cases there is a perception that regions are not getting their fair share,246 which is reinforced because governments typically do their best to conceal the cross-subsidies.247

243. For example, when the Federal Government decided to transfer the Australian Pesticides and Veterinary Medicines Authority from Canberra to Armidale, the CEO advised that only 10 per cent of the staff were willing to relocate. Staff turnover increased rapidly, and some key scientific positions remained unfilled. Rodrigues et al. (2017, pp. 54–56). Fully staffed, the agency would have added a little more than 1 per cent to the workforce of Armidale.

244. Terrill et al. (2016, p. 28).
245. PC (2017a).
247. Data on the cost of government services by remoteness is very rarely made public; data in this report relies on the Commonwealth Grants Commission, one of the few arenas where states have incentives to argue that services in regions cost more.

These cross-subsidies should be explicitly justified on equity or social grounds. This would reduce the perception in regions that governments are ignoring them, or favouring cities at the expense of regions.

Regional festivals and cultural institutions may be more important than many realise in breaking down cultural divides. Because they often attract visitors from elsewhere, they can create the sense that those in cities do value what is happening in regions, while validating a sense of regional pride.248 And they can be relatively cheap compared to other improvements in regional services and infrastructure.

### 7.3.4 Increasing interactions between region and city

Promoting a deeper understanding of the lifestyle and policy challenges facing other parts of Australia might also help narrow the widening gap in attitudes.

Visits from members of the federal and state governments – senior ministers as well as local MPs – would help ground governments in a deeper understanding of regional issues. The best way to understand Darwin is from the ground, not at 35,000ft on the way to Paris.249

Visits by senior ministers would also help to counter the perception that regions don’t count as part of the national culture. Regional areas beyond the commuter belt perceive they receive less attention from government than people in the cities and the closer regional centres.250 Senior ministers should make these appearances individually rather

248. For example, many credit the Museum of Old and New Art with reviving both tourism and civic pride in Hobart – although of course this initiative was privately funded.
250. This was frequently mentioned in Grattan Institute’s regional consultations in Mildura (Box 7 on page 40). Grattan analysis of political tribes data.
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than as a mass ‘community cabinet’, which is inherently only visible in one of Australia’s many regional centres. Nor are local members a substitute for a senior minister: inherently a local member represents the local area, whereas a minister represents the national or state government.

Governments may be able to promote a shared understanding in other ways. Many school and university students go on international exchanges, but very few spend a term immersed in life in a different part of Australia. Nothing beats hours spent in Sydney traffic or not being able to get a GP appointment in a regional area to engender support for greater investment in the services that would make the most difference to people in different parts of Australia.

7.3.5 Reducing tensions based on migration

The cultural divide between regions and cities crystallises around migration. This is difficult to deal with because the places most concerned about migrants have very few migrants. Instead, concern is highest in places where people are primarily concerned about the ‘other’ – cultures that they have not experienced directly (Section 5.4.2 on page 61). This problem has got worse over the past decade because simultaneously the number of migrants increased, more came from Asia and the Middle East rather than Europe, and far fewer settled in regions rather than cities.

When governments ramp up concerns about migrants, or terrorism, they may hope to increase their appeal to those voters fearing the ‘other’. But more likely, they just increase these voters’ fears, inflaming anti-immigrant sentiment, and increasing the appeal of more openly anti-migrant parties such as One Nation.

Instead, governments can dampen – or at the very least not inflame – cultural divides arising from immigration. The perception that migrants are ‘other’ is reduced if, rather than emphasising difference, government rhetoric focuses on the contribution of migrants to core national values such as community service (for example, health professionals), running small businesses, or volunteering.

The media also plays an important role. Coverage given to populist politicians and their anti-immigration messages can increase anti-immigration sentiments. Media coverage of divisive figures is often well out of proportion with their vote or ultimate political impact.

And governments may also be able to contain the appeal of anti-migrant rhetoric with a more nuanced discussion about its effects. Ambit claims about the benefits of migration inherently lack credibility if they fail to address costs that to voters appear undeniable, such as higher house prices and more congestion, particularly when government policies on land-use planning and infrastructure don’t do enough to accommodate additional residents.

7.3.6 Making globalisation work for Australians

In some countries, such as the US, voting against establishment candidates is sometimes fuelled by sentiment opposed to free trade. This appears to be less of a concern in the UK and in Australia.

252. Sandovici et al. (2012). The proportion of people nominating defence/national security or terrorism as the number one issue facing Australia today increased from less than 1 per cent in 2014 to closer to 10 per cent in 2015. Markus (2017, p. 34).
254. Sandovici et al. (2012).
255. For a discussion, see Whyte (2016).
257. Stokes (2016).
258. Brexiteers were opposed to migration and membership of the European Union, but were very keen on implementing an expansive free trade agreement with the European Union after exit (Cocco (2017)).
Nevertheless, there are some protectionist elements to minor party rhetoric in Australia (Section 4.1.9 on page 37).

While there is plenty of evidence that multilateral free trade generally increases welfare, the case can be undermined by overblown rhetoric. Not all free trade deals are that beneficial. Recent bilateral trade deals have come with promises of billions of dollars more in the economy and hundreds of thousands of jobs. But economic studies of these preferential trade deals suggest the real benefits are much smaller. Indeed, some of these deals may impose net costs on the Australian community.

The gulf between rhetoric and reality has created a space for minor parties to tap into the concerns of workers with low levels of job security (Section 4.1 on page 29) by offering a return to a more closed economy.

The long-term decline in jobs in manufacturing and agriculture isn’t going to be reversed (Chapter 4). But more realistic rhetoric on trade and much more rigorous cost-benefit assessment before signing on to new preferential trade deals might help reduce public cynicism about them.

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7.4 The dangers of distraction

The rise of minor parties may also distract incumbents from good policy.

Stung by claims that they are not delivering in the public interest, incumbents may double down on promises to produce more economic growth, more jobs, and more affordable housing. As discussed in Chapter 6, they are unlikely to be able to fulfil these promises, and in the long run that would further erode trust in government.

Alternatively, in the mistaken belief that the rise of political outsiders is driven by inequality, incumbents may double down on promises to redistribute income and wealth. While further redistribution is not necessarily a bad thing, it may be a false hope that distracts from tackling the real issues that are reducing trust in government.

Other incumbents may revert to more socially conservative policies, believing that this will recapture the votes lost to minor parties. Regardless of whether more socially conservative policy is desirable, this is unlikely to win elections for an incumbent party. As discussed in Chapter 5, minor party voters aren’t more socially conservative; most minor parties don’t particularly promote socially conservative policies; and the electorate is overall becoming more socially liberal. And focusing on such an agenda is likely to distract from tackling the real issues reducing trust in government.

To respond to the rising minor party vote, incumbents might appeal to authoritarian instincts provoked by cultural insecurity. This might be the effect of ramping up national security laws (even if it is not the

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261. Bilateral trade agreements add to the complexity and cost of international trade through rules of origin (need to identify the origin of importing goods to establish the tariff treatment) and potentially costly intellectual property protections and investor-state dispute settlement provisions. They can also lead to ‘trade diversion’: increase in trade with partner to the agreement at the expense of lower-cost trade with countries outside of the agreement. PC (2017b), PC (2015) and Armstrong (2015).
262. Section 4.1.9 on page 37.
263. Section 4.1.4 on page 32.
264. Shorten (2017); and Massola (2017).
265. Daley et al. (2013, p. 36).
266. Van Onselen (2017); K. Murphy (2016); and R. Fitzgerald (2018).
And the tightening of citizenship and migration laws might also suggest resistance to the ‘other’ feared particularly by some minor party voters in regional areas. But unless they reduce net migration rates to near zero, such measures would do little to narrow the cultural gap that feeds the minor party vote in regional areas. Instead, such measures may well focus regional voters on the issues that illustrate the cultural divide, and increase the appeal of minor parties. And such policies might well increase the cynicism of other voters and reduce their trust in government further.

7.5 The ultimate destination?

There are many lessons for politicians and the political class in the rising minor party vote.

More of the same is likely to elicit the same result from voters: rising cynicism and more choosing to vote for ‘anyone but them’.

Alternatively, incumbent politicians could heed the warning signals and focus on what matters to voters: restoring trust and social cohesion. This will not be a quick process. But trust and cohesion can be improved with an extended period of under-promising and quiet over-delivery. And improving the integrity of the system can help to reduce the incidence of trust-sapping scandals.

As always, policy makers have choices. And those choices make a difference.

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267. National security measures adopted by the Turnbull and Abbott governments: the creation of the Department of Home Affairs, a ‘super-ministry’ that combines border security, the federal police, and intelligence operations under one roof (Yaxley (2017)); meta-data retention laws (Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015); the establishment of a scheme for the continuing detention of high-risk terrorist offenders who are considered by a judge to pose an unacceptable risk to the community (Criminal Code Amendment (High Risk Terrorist Offenders) Act 2016); increased monitoring and strengthening of the counter-terrorism framework (Counter Terrorism Legislation Amendment Act (No. 1) 2016); the increased ability for border protection officers to collect and store a broad range of personal identifiers (including photographs and fingerprints) of citizens and non-citizens at the border (Migration Amendment (Strengthening Biometrics Integrity) Act 2015); the creation of mechanisms to automatically revoke the citizenship of people who participate in terrorism-related offences overseas (Australian Citizenship Amendment (Allegiance to Australia) Act 2015); strengthening the capabilities of ASIO to conduct covert intelligence operations (National Security Legislation Amendment Act (No. 1) 2014); the strengthening of border security measures, and providing for the cancellation of welfare payments to people involved in terrorism (Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014); and reductions to the amount of information required to apply for an interim control order, and increased intelligence sharing between ASIS and the ADF (Counter-Terrorism Legislation Amendment Act (No. 1) 2014).

268. Citizenship and migration policies adopted by the Turnbull and Abbott governments include: strengthening the ability of the minister to cancel the visa of people who do not pass general and character provisions (Migration Amendment (Character and General Visa Cancellation) Act 2015, amended February 2017); measures to protect information given to the Department of Immigration by intelligence agencies from disclosure (Migration Amendment (Validation of Decisions) Act 2017); criminalising the disclosure of information relating to border force activity and the establishment of a Border Force Commissioner (Australian Border Force Act 2014, amended in Australian Border Force Amendment (Protected Information) Act 2017); increasing the responsibility of asylum seekers to provide information relating to their application for temporary protection (Migration Amendment (Protection and Other Measures) Act 2015); provisions to limit the ability for people who have had their visa cancelled, or an application for a visa refused, to apply for a bridging visa (Migration Legislation Amendment Act (No. 1) 2014); and the reintroduction of temporary protection visas and reinforcing the ability of the government to turn back boats.

269. As One Nation advocates. One Nation (2016).
Appendix A: The data used in this report

This report uses polling, survey data, and responses to focus groups to draw conclusions on voter attitudes across Australia. The main sources are:

- **Election data**, various years;
- **The Australian Election Study**, 2004-2016;
- **The Scanlon Foundation studies**, 2016 and 2017;
- Polling by **Essential Research**, (various years);
- **Fairfax Political Personas Project**, 2017;
- **Vote Compass**, 2016;
- **Australian Marriage Law Postal Survey**, 2017;
- **The Mind and Mood Report: Life in Two Australias**, by IPSOS, 2013; and
- Regional consultations undertaken by **Grattan Institute** staff.

A.1 Election data

This report uses data on the first-preference Senate vote from the Australian Electoral Commission.

The Australian Electoral Commission (AEC) provides the total number of first-preference Senate votes for each candidate at each polling place. The AEC also provides the latitude and longitude coordinates of most polling places.\(^{270}\) The distance cited in this report of each polling place from the nearest capital city is the ‘haversine’ distance, which gives the approximate distance between two points, given the curvature of the Earth.

Polling places with no coordinates (such as mobile polling vans), no given coordinates (such as those assigned to multiple sites), or not in Australia were excluded. Polling places in the external territories, such as Cocos Islands, were included (where coordinates were supplied).

In counting votes at a particular polling place, we consider only ‘ordinary votes’ – votes cast by electors within the division for which they are enrolled. More than 80 per cent of votes cast in the 2016 election were ordinary votes. Postal votes, absent votes, provisional votes, and pre-poll votes were not included in the regional analysis, although they are included in the overall analysis.

A.2 Survey data

Sample size issues limit the extent to which we can identify attitudes of voters for particular minor parties and comparisons between them. Because of these issues we place more more weight on findings that appear to be consistent between the surveys listed below.

Where possible, we have also provided error bars which show the 95 per cent confidence interval for the mean. Charts depicting social attitudes by party or by location combine responses where there was no significant difference in attitudes between voters for particular minor parties, or between voters in particular locations.

\(^{270}\) AEC (2016a); AEC (2013); AEC (2010); AEC (2007); and AEC (2004).
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A.2.1 The Australian Election Study, 2004-2016

Lead researchers (current): Ian McAllister, Clive Bean, Rachel Gibson, Toni Makkai.

Sample size: 2,818 (in 2016); 3,955 (in 2013); 2,214 (in 2010); 1,873 (in 2007); 1,769 (in 2004).

Response rate (adjusted\textsuperscript{271}): 27 per cent in 2016; 34 per cent in 2013; 43 per cent in 2010; 40 per cent in 2007; 45 per cent in 2004.

The Australian Election Study (AES) is a key source on Australian social attitudes.\textsuperscript{272} It is timed to coincide with Australian Federal Elections. The studies reuse a common set of questions in order to provide a long-term view on social attitudes. It is conducted by The Australian National University (ANU). Since 2010 the surveys have been funded by Australian Research Council. In 2016, respondents needed to be eligible to vote in Australian elections; in earlier years respondents needed to be enrolled to vote. The surveys aim to gather a nationally representative sample. Responses from the 2010, 2013, and 2016 surveys have been weighted.

This report uses publicly available data from the AES to calculate attitudes by region and by party voted for in the Senate. Figure 2.12 uses AES data to calculate the demographic characteristics of minor party voters.

Respondents’ location is self-reported, based on their estimation of population size of their community. For simplicity, this report combines responses from small and large country towns. The definition of each category is as follows: Cities – over 100,000 people; Large towns – between 25-100,000 people; Large or small country towns – up to 25,000 people; Rural – little or no population. Nearly 300 responses came from rural areas in 2016 (the smallest subgroup), compared to a little under 1,500 responses from city areas (the largest subgroup).

Attitudes by party voted for in the Senate are categorised by respondents’ self-reported vote. Just over 70 respondents voted for One Nation in the 2016 AES, and 76 voted for the Nick Xenophon Team. Nearly 200 respondents voted for other minor parties. The largest sample was for the Liberal Party, with 970 respondents.

A.2.2 The Scanlon Foundation Surveys, 2016 and 2017

Lead researcher (current): Andrew Markus.

Sample size: 1,500 in 2016 and 2017. The studies occasionally combine samples between years; 17,280 people have responded since the survey began in 2007.

Response rate: 45 per cent in 2017; 50 per cent in 2016.

The The Mapping Social Cohesion surveys are run by the Scanlon Foundation in partnership with Monash University.\textsuperscript{273} The first survey was conducted in 2007, and it has been conducted annually since 2009. The 2017 national survey was complemented with a targeted sample of One Nation voters. This study does not provide data on the attitudes of voters for other minor parties. The 2017 study released attitudinal data by ABS Remoteness Areas. The 2016 study provides data on minor party voters as a single group, and defines minor party voters as anyone who didn’t vote for the Coalition, Labor, or the Greens. The survey sample is expected to give a maximum sampling error of plus or minus 2.5 percentage points 95 per cent of the time. Andrew Markus provided additional data to Grattan that was not released in the publicly available summary report.

\textsuperscript{271} The adjusted response rate accounts for the ‘out of scope’ sample (deceased, incapable, return to sender, not an Australian citizen).

\textsuperscript{272} AES (2016); AES (2013); AES (2010); AES (2007); and AES (2004).

\textsuperscript{273} Markus (2017); and Markus (2016).
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A.2.3 Polling by Essential Research, various years

Sample size: Approx. 1,000.

Response rate: 13-14 per cent.

Essential Research conducts regular polling on Australian political attitudes. Market research firm Your Source gathers data for Essential Research through an online panel every fortnight. The panel is a self-managed online portal of over 100,000 members, most of whom were recruited using offline technologies. Measures are in place to ensure that panelists are not over-used and are authentic. An invitation to participate in the poll is sent out to approximately 7-8,000 panel members. The response rate varies, but usually delivers over 1,000 responses. Essential Research estimates that there is a sampling error of plus or minus 3 percentage points 95 per cent of the time. The polls define minor party voters as anyone who does not support the Coalition, Labor, or the Greens. The data is weighted to be nationally representative based on ABS data.

A.2.4 Fairfax Political Personas Project, 2017

Lead researcher: Jill Sheppard.

Sample size: 2,600.

Response rate: 79 per cent.

The Fairfax Political Personas study was conducted via the ANU Social Research Centre’s Life in Australia panel in conjunction with Fairfax media. Members are randomly recruited to the panel and invited to participate in monthly surveys. The panel is designed to be nationally representative, and the survey responses are weighted. The Political Personas survey was conducted between the 1st of December and 22nd of December in 2016. Grattan categorised the responses to the survey into 2011 ABS Remoteness Areas by postcode, according to correspondences provided by the ABS.

A.2.5 Vote Compass, 2016

Vote Compass is an online tool run by the ABC which is designed to help people decide how to vote in an upcoming election. The software and questions are designed by political scientists in Australia and overseas. The survey is weighted to ensure that the sample is nationally representative. More than 1 million people have participated in the survey to date. Data on responses to some questions asked in the survey was provided to Grattan at an electorate level for responses received between May and July of 2016.

A.2.6 Australian Marriage Law Postal Survey

The Australian Marriage Law postal survey was conducted on behalf of the Federal Government by the ABS. People who are on the electoral roll were sent a postal ballot on the issue of same-sex marriage. Results of the survey were released by electorate on the 15th of November, 2016. Nearly 80 per cent of eligible voters participated in the survey. Participation rates were higher in inner-city electorates, but were not materially different elsewhere.

A.3 Focus groups and consultations

We use qualitative research to complement the survey data. Although this research is not representative of general trends, it provides insight into the way that national issues can play out at a local level.

274. For example, see Essential Research (2017f).
276. 2011 Remoteness Areas were used as updated Remoteness Areas have not yet been released for the 2016 Census.
277. ABC News et al. (2016).
278. ABS (2018d).
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A.3.1 The Mind and Mood Report: Life in Two Australias, by IPSOS

The IPSOS Mind and Mood reports use qualitative research methods to understand the attitudes and values of different groups. The research technique used for *The Mind and Mood Report: Life in Two Australias* was group discussion. The groups used were affinity groups (neighbours, friends or workmates), and the discussions were held in familiar environments, such as homes or offices. Direct questions from the researcher were avoided to allow natural discussion on particular topics to occur. Participants were aged from their late-teens to mid-70s, and mostly from a middle-class background. The fieldwork was conducted in Sydney, Melbourne, Tamworth, Townsville and Bunbury. 16 groups were interviewed in total. Emphasis is given to those opinions and attitudes which appeared to be consistent across the whole sample.

A.3.2 Grattan’s regional consultations

As a part of our research for this report, Grattan staff spoke with councillors, journalists, community leaders, and business groups in Emerald, Mildura, and Whyalla.

We chose these locations to get a diversity of views from regional Australians on the content of this report. Life is quite different for people in the three areas. Emerald is a small town located three hours west of Rockhampton, and is a part of the Bowen Basin mining region of Central Queensland. The town has a relatively small population, and fly-in fly-out workers are common. Mildura is a larger regional centre in north-west Victoria. Agriculture is an important source of income for the Mildura area, though the services industry is also a big employer. About 30,000 people live there. Whyalla is a large town located in SA.

A significant proportion of the population works as technicians or trades workers, or as machinery operators.

Grattan’s consultations were informal, and should not be taken as indicative of broader social trends across regional Australia.

279. IPSOS (2013).
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