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FM CANBERRA 200551Z OCT 80
TO IMMEDIATE FCO
TELEGRAM NUMBER 575 OF 20 OCTOBER

MY TELNO 570 : AUSTRALIAN FEDERAL ELECTION 1980

1. MR FRASER'S COALITION GOVERNMENT HAS BEEN RETURNED WITH ABOUT HALF ITS PREVIOUS NEAR-RECORD MAJORITY. WITH NINE SEATS STILL IN DOUBT (AND FINAL RESULTS UNDERTAIN FOR A WEEK OR MORE BECAUSE OF THE COMPLEXITY OF THE ALTERNATIVE VOTING SYSTEM) THE COALITION MAJORITY IN THE LOWER HOUSE WILL BE BETWEEN 13 AND 23. TWO SENATE SEATS ARE STILL DOUBTFUL AND MAY REMAIN SO FOR THREE WEEKS. THEIR FATE WILL DETERMINE WHETHER OR NOT MR FRASER WILL HAVE A MAJORITY IN THE SENATE FROM NEXT JULY, WHEN, AND ONLY WHEN, THE NEWLY-ELECTED SENATORS TAKE THEIR SEATS.

2. ONLY ONE OF THE FOUR MAJOR OPINION POLLS, ALL OF WHICH HAD PREVIOUSLY A GOOD TRACK RECORD, PREDICTED A COALITION WIN, AND EVEN THEN IT CONSIDERABLY UNDER-ESTIMATED THE SIZE OF THE MAJORITY. ALTHOUGH LABOR CAME CLOSE TO THE FORECAST NATIONAL SWING OF 6% PLUS WHICH, ON SIMPLE ARITHMETIC, THEY NEEDED TO GAIN OFFICE, THE SWING WAS TOO UNEVEN IN TERMS OF SEATS TO GIVE THEM VICTORY. THE MAJOR SWING IN MANY CASES WAS IN SEATS ALREADY HELD BY LABOR. SOME LIBERAL SUCCESSES AGAINST THE TREND ARE SEEN AS A TRIBUTE TO THE PERSONALITY AND HARD WORK OF THE INDIVIDUAL CANDIDATES CONCERNED. THUS THE COALITION WON CONVINCINGLY IN SEVERAL MARGINAL SEATS, INCLUDING THOSE OF TWO MINISTERS AND, PERHAPS MOST SIGNIFICANTLY, THAT OF DENISON IN TASMANIA, WHERE A SWING OF 3.1% WOULD HAVE GIVEN THE SEAT TO MR KEN WRIEDT (UNTIL THE DISSOLUTION THE ALP SENATE LEADER, OPPOSITION SPOKESMAN ON FOREIGN AFFAIRS AND A POTENTIAL CHALLENGER OF MR BOB HAWKE FOR EVENTUAL LEADERSHIP OF THE ALP).

3. LABOR'S GAINS WERE LARGELY AT THE EXPENSE OF THE AUSTRALIAN DEMOCRATS, WHOSE VOTE IN THE HOUSE OF REPRESENTATIVES HAS CONSIDERABLY DECLINED. THE APPEAL OF THE AUSTRALIAN DEMOCRATS AS A VEHICLE FOR PROTEST SEEMS CORRESPONDINGLY REDUCED. YET, FOR THE SENATE, THE DEMOCRATS HAVE ALMOST CERTAINLY GAINED TWO FURTHER SEATS AND MIGHT YET PICK UP A THIRD. THE SOLE INDEPENDENT SENATOR, RETURNED WITH AN INCREASED VOTE, MAY HOLD THE BALANCE OF SENATE POWER, DEPENDING UPON WHETHER FOUR OR FIVE DEMOCRATS ARE RETURNED.

4. MR FRASER'S PREVIOUS LARGE MAJORITY HAS BEEN HALVED, BUT THIS IS SEEN AS MUCH AS A RETURN TO THE NORM AS A SETBACK. HE CAN RIGHTLY CLAIM TO BE THE ONLY AUSTRALIAN PRIME MINISTER, OTHER THAN MENZIES, TO HAVE WON THREE CONSECUTIVE ELECTIONS. MR HAYDEN, FOR HIS

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PART, HAS COME THROUGH A WELL FOUGHT CAMPAIGN WITH INCREASED STANDING, WITH HIS LEADERSHIP FOR THE PRESENT ASSURED, AND WITH HIS PARTY BUOYED BY THEIR RETURN TO THE VOTERS' CONFIDENCE. THE NCP LOOKS LIKE HOLDING ALL ITS 19 SEATS IN THE LOWER HOUSE, WHICH SUGGESTS THAT IT WILL INCREASE ITS CLOUT IN THE COALITION. NONE OF THE THREE PARTY LEADERS THUS LOOKS VULNERABLE TO BIDS AGAINST HIS LEADERSHIP.

5. THE FIRST BRIEF SESSION OF THE NEW PARLIAMENT WILL PROBABLY BE DURING THE TWO WEEKS AFTER 25 NOVEMBER, AFTER WHICH IT WILL ADJOURN UNTIL FEBRUARY. MR FRASER IS NOT EXPECTED TO RESHUFFLE HIS MINISTRY UNTIL ALL RESULTS ARE KNOWN, BUT SOME RESHUFFLE IS PROBABLE, MR PEACOCK IS LIKELY TO BE GIVEN A DOMESTIC PORTFOLIO.

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