

For Bill Shorten, Tuesday's National Press Club speech was the easy start to what could be a tougher year than 2017. The address had a popular "[announceable](#)" – a proposed National Integrity Commission – and it homed in on fertile electoral ground: cost-of-living pinches, flat wages, and high health insurance costs.

But it left a heap of gaps to be filled in on what precisely are Labor plans to ease the pressures many people are feeling, and questions about its ability to convince voters that it can in fact relieve them.

Politically, Shorten could hardly go wrong with the integrity commission, pitched to tapping into the epidemic of mistrust that's corroding the political system.

Shorten was blunt: he didn't know of any particular instances of corruption that are demanding address. It is about restoring "people's faith in their representatives and the system", restoring "trust, accountability and transparency in the public sector".

In other words, the commission is an institutional response to what has become a hugely bad vibe in our democracy.

Malcolm Turnbull on Tuesday left open the possibility of endorsing an integrity commission of some sort, while pointedly noting "obviously, in anything like that the devil will always be in the detail". Within his ranks there is resistance to doing something robust. Barnaby Joyce, for one, thinks it could unnecessarily restrict ministers. "You'll be terrified to make a decision that's different to your department," he said, with perhaps revealing frankness.

For a long time the major parties did not believe that the objective circumstances required a federal ICAC. Now it is a matter of the public mood. And once Shorten decided to embrace the idea of a commission – probably with one eye on the looming [Batman byelection](#), where the Greens pose an existential threat to the ALP – the government finds itself pushed towards doing the same.

View from the Hill: Shorten targets hip pocket pain, but prescriptions yet to come

Written by Michelle Grattan, Professorial Fellow, University of Canberra

But come election time, votes won't turn on an integrity commission. They will turn on such issues as cost of living, discontent with flat wages, and health. The parties don't need focus groups to tell them that, though no doubt the groups are sending the message.

As did Tuesday's [Essential poll](#) (which had Labor leading 54-46% in two-party terms). The numbers show Shorten is playing to ALP's strengths: 40% trust Labor most to handle industrial relations, compared to 27% who favour the Liberals; 39% trust Labor most to ensure the quality of Australia's health system but only 28% nominate the Liberals.

People's perception of a squeeze on their living costs is stark. Asked, "in the last two years, do you think your and your household's income has gone up more than the cost of living, fallen behind or stayed even with the cost of living", 51% said fallen behind, 28% said stayed even, and 14% said gone up more.

On health, 83% agreed "the government should do more to keep private health insurance affordable".

Shorten didn't hold back on the problems. "The wages system is not delivering, and it's not just cuts to penalty rates, or the exploitation of labour hire", he said. "Enterprise bargaining is on life support".

Workers needed pay rises. Labor would "put the bargaining back into enterprise bargaining".

The minimum wage was no longer a "living wage". "Our goal should be a real, living wage – effectively raising the pay of all Australians, particularly the 2.3 million in the award system".

"Yes, we must always be mindful of the capacity of industry to pay. But let me make it clear: we need to fix the disconnect between wages and productivity."

Much of the detail of how all this is to be done is yet to unfold. Labor has flagged that it would

attack the ability of companies to unilaterally terminate agreements. It promises to restore Sunday penalty rates and have a national push to close the gender gap.

But if it wants to significantly raise the “living wage” that could be a big policy challenge and certainly lead to tensions with business, which was twitchy after the Opposition leader’s speech.

Meanwhile medium-sized businesses (with turnovers of more than \$2 million and under \$50 million annually) are still on tenterhooks waiting for Labor to clarify what it will do with the company tax cuts already legislated for them. Shorten in the question-and-answer session said Labor would finalise its position after the budget. It was the first time he had spelled out this timetable.

On health, Labor knows that it can get people’s attention by empathising with their discontent about the rising cost of private insurance, but remains vague about how it would tackle the issue.

Shorten said he put the big operators on notice that “business as usual doesn’t work”.

“If you are getting a \$6 billion subsidy from the taxpayer yet you’re making record profits, yet the prices are going up and the exclusions are going up, well that’s a problem”.

The opposition was working though “options” and would talk to the funds. Certainly there needed to be “better monitoring of exclusions”, he said.

Shorten’s reference to subsidies triggered some speculation that Labor might cut the rebate for private health insurance. This was ill-based and quickly quashed. After all, as Labor pointed out, if you’re talking about containing costs to consumers of private health cover, you wouldn’t be reducing the rebate.

Turnbull will deliver his 2018 opening-salvo speech on Thursday. He has chosen to make it in

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regional Queensland rather than in Canberra, getting out of the beltway and bypassing the national media pack.

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