

The Morgan Poll Review



By Michele Levine CEO of Roy Morgan Research

The ground rules

he focus is back on Australia, the budget surplus has everyone talking about tax cuts, consumer confidence is high, the L-NP has a re-shuffled team, and the ALP is out in front.

September saw Roy Morgan consumer confidence increase slightly to 123.2, and political party support was virtually unchanged since August when Pauline Hanson's conviction and jailing saw a loss in Coalition support to the minor parties which then flowed through to the ALP in preferences.

In mid September, primary support for the L-NP was 40.5 per cent, with the ALP at 39.5 per cent. For the third consecutive polling period the two-party preferred support for the L-NP was 48 per cent against 52 per cent for the ALP. If a Federal Election had been held in September, the ALP would have won a close election according to the Morgan poll.

However, early October saw the Australian dollar increase to over US 68c, following the announcement of a \$7.5 billion budget surplus and discussion about possible tax cuts.

September also saw more questions over weapons of mass destruction put support for both US President George Bush and UK Prime Minister Tony Blair under pressure. And Prime Minister John Howard is not immune from this scrutiny.

Throughout September the US economy showed no real signs of improvement. Amid concerns about jobs and unemployment, US consumer

confidence according to the Conference Board Consumer Confidence Index fell to 76.8, its lowest level since March, and down 3.9 points on August. The figure was well below market expectations.

However, October saw the first signs of recovery with the announcement that economic activity in the manufacturing sector had increased in September for the third consecutive month, according to an ISM report. The New Orders Index also rose in September.

The electorate and the economy

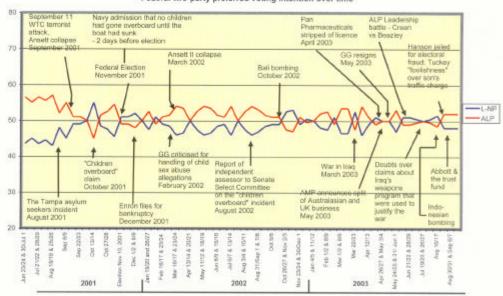
In Australian consumers' minds, the \$7.5 billion budget surplus has raised the possibility of tax cuts. Although there is much that could happen before any such tax cuts actually take place, or in fact before

consumers see any benefit from the budget surplus, consumer confidence is likely to stay high especially if unemployment remains low.

The Roy Morgan consumer confidence rating, consistently high since April, rose slightly in September, up 0.8 points to 123.2. The September result is 19.6 points higher than the September average (the average over 21 years is 103.6) and 2.7 points higher than the 2003 average (the average over nine months was 120.5).

Australians' analysis of their personal financial situation improved for the second consecutive month in September. Thirtyfive per cent (up three per cent) say their personal financial situation is better now than it was this time last year, with 24 per cent (down four per cent) saying they are now worse off.

Federal two-party preferred voting intention over time



Expectations for the future of the Australian economy remain relatively stable. In the short term, 40 per cent expect Australia to experience good economic conditions over the coming year, while only 19 per cent (down three per cent) of Australians expect bad economic times.

In the longer term, 34 per cent (up one per cent) expect Australia to have good times financially over the next five years and only 17 per cent (down one per cent) expect bad times financially over the same period.

Although the figure was down in September, the majority of Australians (53 per cent, down six per cent) still believe now is a good time to buy appliances. Only 13 per cent consider now is a bad time to buy (down one per cent).

The Roy Morgan unemployment estimate flattened out, with estimated unemployment for the September 2003 quarter at eight per cent - unchanged from the June 2003 quarter, but higher than the September 2002 quarter, when the figure was 7.4 per cent.

Since June, the number of Australians working full-time increased 101,000 to 6,160,000 and the number of Australians working part-time fell 4000 to 2,783,000 - a total of 8,943,000 Australians employed. This is up 97,000 since the June quarter.

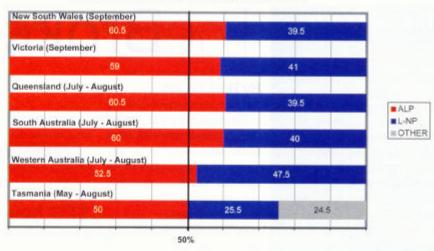
The number of Australians looking for work in the September 2003 quarter increased slightly when compared with the June quarter, up 10,000 to an estimated 776,000. The number of Australians seeking full-time and part-time work in the September quarter was 488,000 (up 46,000) and 288,000 (down 36,000) respectively.

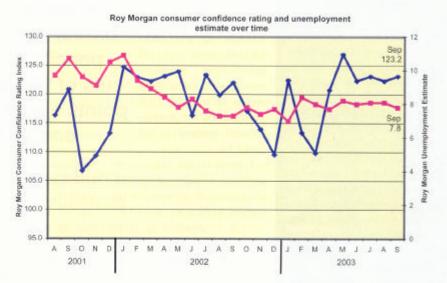
Unemployment in regional and rural areas (at 9.3 per cent) remains higher than in capital cities (7.3 per cent). New South Wales had the lowest estimated unemployment level for the September quarter (7.1 per cent, down 0.5 per cent), followed by Victoria (7.8 per cent, up 0.9 per cent), Western Australia (7.8 per cent, down 1.3 per cent). Queensland (8.3 per cent, down 0.3 per cent) and Tasmania (10.1 per cent, up 1.5 per cent). South Australia (11.1 per cent, up 1.3 per cent) had the highest estimated level of unemployment for the September quarter.

The electorate and the political scene

Until August, the Morgan poll had shown a clear trend of the L-NP gaining support as international/security issues

State two-party preferred voting intention (%)





took precedence, and losing support as the agenda came back to Australia and the domestic scene.

As the questions continue over weapons of mass destruction and the future of Iraq and the Middle East, the international arena no longer represents the "political stratosphere" for President Bush, Prime Minister Blair, or Prime Minister Howard. The focus has turned back to the economy and domestic issues.

Since late August, the ALP has been ahead on a two-party preferred basis - for three consecutive polling periods the ALP has been at 52 per cent, ahead of the L-NP at 48 per cent.

States are steady for ALP

At State level the ALP continues to enjoy majority electoral support in every State. Only two States have new Morgan poll figures for September - NSW and Victoria. The other State polls are taken over a two-month period and will be reported next month. In NSW, ALP support on a two-party preferred vote is 60.5 per cent (down one per cent since August) versus the L-NP at 39.5 per cent. In Victoria ALP support is up two per cent to 59 per cent against the L-NP's 41 per cent.

The "sleepers"

Australian consumer confidence is high predominantly due to the "comfort" of increasing housing prices. GDP will increase as economic activity grows and the rural economy rebuilds after the drought, and the prospect of tax cuts will fuel this positive consumer sentiment.

However, much depends on the US economy. There are some very real economic issues that may burst the consumer bubble. The obvious "sleepers" are the possibility of an early election with a double dissolution; the ALP changing its leaders (Mr Crean and Ms Macklin); industrial unrest over education and health, and that ever-present "sleeper"-terrorism.