



The Mark Latham effect: what a difference 100 days make

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Consumer confidence is at an all time high, the ALP continues to lead the L-NP in electoral support and, for the first time since the John Howard L-NP Government was re-elected in 2001, the electorate now believes the ALP will win the next Federal election – what a difference 100 days make!

In an exclusive analysis, the Morgan Poll reviewed voting intention in the 100 days before Mark Latham became ALP leader, and 100 days or thereabouts since then. The overall swing of 7.5 points from the ALP's average pre-Latham lead of 2.5, to the Latham-led ALP's average lead of 10, while dramatic, has been far from uniform.

The charts below show clearly that the largest swing occurred among small business owners (31.2 points). Among professionals where the swing was low (4.9 points) the ALP was already well ahead of the L-NP. Geographically, the swing has been greater in capital cities (8.5 points) than country areas (5.6 points), greater in NSW (9 points) than Victoria (4.1 points), and greatest in South Australia (10.9 points).

The demographic analysis was interesting, showing a fairly uniform swing for men and women, and the largest swing among those aged 25-34 (swing of 12.3 points). A strong 'family' theme emerged as well, with a greater swing among households with children than households with no children – and the greatest swing among those with 2 or 3 children in the household.

In terms of socio-economic dimensions – the swing was polarised – the greatest swings being among the lowest (FG) socio-economic group (12.3 points) and the highest (AB) socio-economic group AB (10.1 points). That said, on a straight personal income basis, those earning \$60,000 or more showed a high swing of 11.6.

Consumer confidence all time high

In March, the Roy Morgan Consumer Confidence Rating (RMCCR) rose 3.6 points to 130.4 points. This is the highest result ever recorded since Roy Morgan Research began measuring consumer confidence in 1973. It is 2.4 points higher than the previous high of 128.0 recorded

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in June 1994, and 22.7 points higher than the March average (average over 32 years: 107.7).

The rise in the RMCCR rating in March was a result of an improvement in consumers' already positive analysis of their own personal financial situations and short-term economic predictions – more specifically fewer people were negative.

Australians' analysis of their personal financial situations increased slightly in March. Thirty-four percent (up 1%) say their personal financial situation is better now than it was this time last year, with

25% (down 4%) saying they are now worse off. Looking ahead, 46% (up 2%) expect to be better off financially this time next year while 10% (down 4%) expect to be worse off.

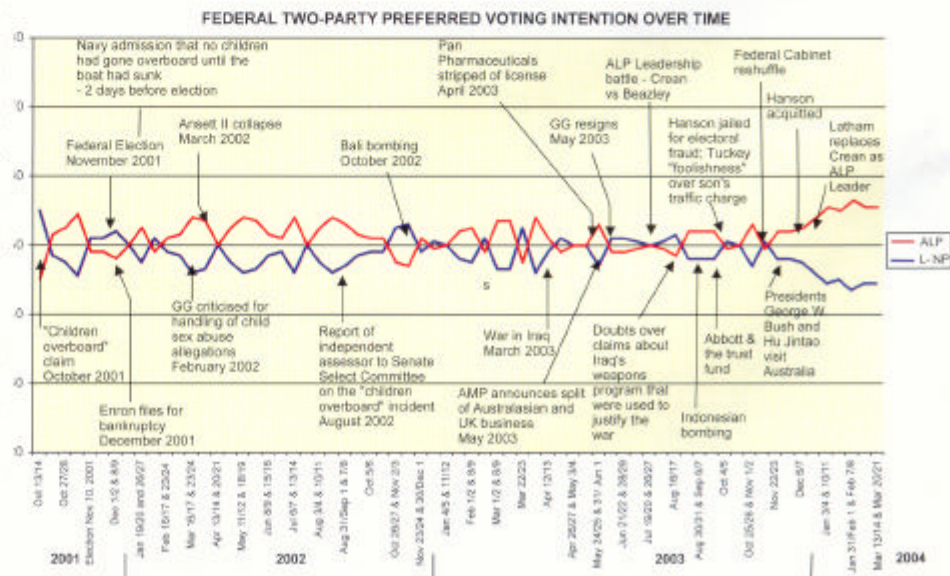
The proportion of people expecting Australia to experience good economic conditions over the next five years fell 2% in March to 39%, however those expecting bad economic times over the same period also fell, down 4% to 13%. People's predictions for the shorter term were more positive, with those expecting Australia to see good economic times over the coming year rising 1% to 48%, and those expecting bad times falling 6% to 14%.

In the US, consumer confidence has improved slightly from February – the University of Michigan's Consumer Confidence Index strengthened to 95.8 in March from a low 94.4 in February.

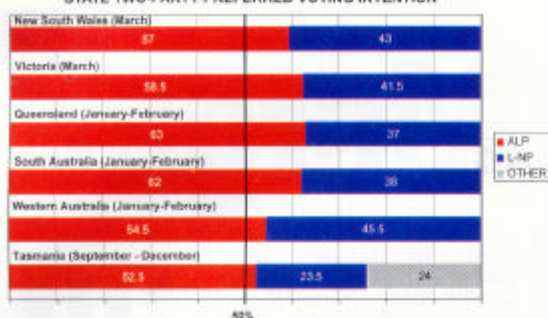
The Roy Morgan Unemployment estimate rose in the March 2004 Quarter, with estimated unemployment at 8.9% – up 1% from the December 2003 Quarter, and higher than the March 2003 Quarter (7.8%).

Since December, the number of Australians working full-time increased 95,000 to 6,379,000 and the number of Australians working part-time fell 13,000 to 2,802,000, resulting in 9,181,000 Australians employed. This is an increase of 82,000 since the December Quarter.

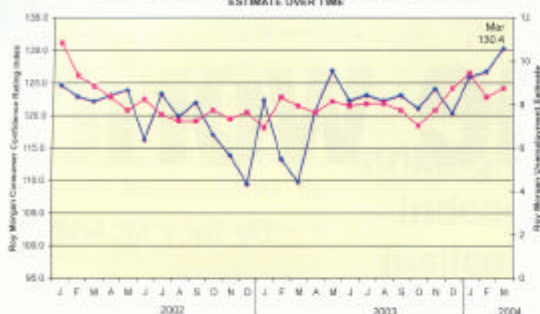
At the same time as there has been an increase in the number of Australians in employment, the number of Australians



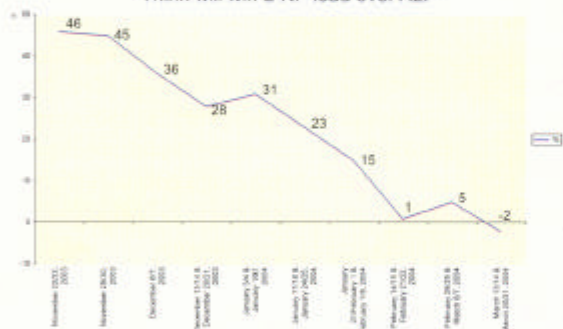
STATE TWO-PARTY PREFERRED VOTING INTENTION



ROY MORGAN CONSUMER CONFIDENCE RATING AND UNEMPLOYMENT ESTIMATE OVER TIME



Think will win L-NP lead over ALP



looking for work in the March 2004 Quarter increased markedly up 118,000 to an estimated 899,000, resulting in an increase in unemployment.

Politically, ALP still has large lead over L-NP

In late March, although primary support for the ALP dropped slightly to 45.5% (down 0.5%) and support for the Government rose 0.5% to 39.5%, on a two-party preferred basis, support for both parties has remained unchanged since the beginning of February 2004, with the ALP 55.5% and the Coalition 44.5%. If a Federal election had been held in late March, the ALP would have won easily, the latest Morgan Poll finds.

In late March, for the first time, more electors thought the ALP will win the next Federal election – 43.5%, than the L-NP 41.5%; this is a significant shift from when Mark Latham was elected in early December – when only 24% thought the ALP would win the next election

compared with 60% the L-NP. There has been a steady shift away from the L-NP since well before Mark Latham took over leadership of the ALP.

States

Only two States have updated Morgan Poll figures for March – both NSW and Victoria showed a loss of support for their incumbent ALP State Governments.

In Victoria during March, amidst the teachers' strike and criticism of the Scoresby Freeway tolling, primary support for the Victorian ALP Government fell 4.5% to 48.5%. Support for the Liberal Party rose 4% to 35.5%, according to the latest Morgan Poll. On a two-party preferred basis, support for the ALP fell 4% to 58.5% with the Liberal Party up 4% to 41.5%. If a Victorian State election had been held in March, the ALP would have won easily.

In NSW, the Carr Government continued to lose support, primary support fell 5.5% to 44%, while primary support for the Coalition rose 1.5% to 37.5%, according to the latest Morgan Poll. On a two-party preferred basis, support for the ALP was down 2.5% to 57% while support for the L-NP was up 2.5% to 43%. Despite this ALP fall in support, if a State election had been held during March, the ALP would still have won easily.

The sleepers

The electorate's expectation that the next election will see a Latham-led ALP Government provides a new context for everything economic and political.

One sleeper is how Mr Howard and the L-NP read the electorate and how the obvious leadership issues play out in the next few months. Another sleeper is how the question of Australian troops in Iraq is handled by both parties. The time bomb is ticking – as yet no Australian military personnel have been killed. The electorate will respond differently to this delicate issue if an Australian is killed. The electorate will also respond

differently depending on why the troops stay or leave Iraq – if the troops stay because the UN requires them to stay, because the US requires Australian troops be there, or if a new Iraqi Government asked us to stay. However, the real sleeper remains that of trust in Government. As the focus turns to troops in Iraq, the question is, will the electorate forgive and/or forget the children overboard, and the weapons of mass destruction and the Keely affair? ■

