



## The Morgan Poll Review

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# The Australian electorate at tipping point

Despite continued high levels of consumer confidence, generally a good sign for the party in power, Australians now see a Latham-led government as a real possibility. The ALP has enjoyed majority electoral support ever since Mark Latham became leader. However, importantly, Australians are now almost evenly divided in their expectations of which party will win the next federal election.

States are generally moving towards the ALP and the ALP continues to enjoy clear majority support at state level. Of the five states with new poll figures for February, all but NSW showed an increase in ALP support. In NSW, support for the ALP was down 5 per cent on a two-party preferred basis – but the ALP is still way ahead.

In the important US market, consumer confidence has weakened significantly with the Conference Board's consumer confidence index down 9.1 points to 87.3 in February from 96.4 in January and the ABC News/Money Magazine consumer index also showing a 10 point drop from mid-January to late-February. In February, the University of Michigan consumer confidence estimate slumped to 94.4 points from 103.8 points the previous month. This is generally being attributed to disenchantment with the labour market.

In Australia, consumer confidence continued to rise in February. The Roy Morgan consumer confidence rating rose 0.8 points in February to 126.8 points. This result is 17.7 points higher than the February average (the average over 18 years is 109.1) and the second highest February result ever recorded – the highest was in February 1994, at 127.5 points. Poll interviews were mostly conducted

prior to the conclusion of negotiations for the Australia-United States free trade agreement and before the Reserve Bank's February decision to leave the official cash rate unchanged at 5.25 per cent after two consecutive rises in November and December.

**The proportion of electors who think that the ALP will win the next election (42 per cent) is now almost the same as the proportion who believe the Coalition will win (43 per cent)**

The rise in consumer confidence in February was a result of an improvement in longer-term economic predictions, with little change seen in the already positive analysis of personal financial situations, short-term economic predictions and

whether or not now is a good time to buy major household items.

The proportion of people expecting Australia to experience good economic conditions over the next five years rose 6 per cent in February to 41 per cent, with those expecting bad economic times rising 3 per cent to 17 per cent. The number expecting Australia to see good economic times over the coming year rose 2 per cent to 47 per cent, while the amount expecting bad times also rose by 2 per cent to 20 per cent.

Despite the positive economic indicators which should auger well, the Howard-led L-NP government has lost its appeal for the electorate, and a Latham-led ALP is seen as a viable alternative.

In late February, primary support for the ALP was 45.5 per cent, ahead of the Government at 40.5 per cent. Among the minor parties, support for the Greens was

