

State of the Nation Today
2007 – 1.260 million Australians unemployed or under-employed
2013 – 2.305 million Australians unemployed or under-employed
and

Who will win the 2013 Federal Election

Presented by
Gary Morgan and Michele Levine
Roy Morgan Research Ltd
The Australian Club
April 10, 2013

Public opinion polls are today published regularly by many different organisations – Newspoll and Galaxy funded by News Ltd, Nielsen funded by Fairfax, Essential funded by the Unions, etc. Roy Morgan Research is privately owned and Australia's largest Marketing Research company.

The Gallup Poll (today Morgan Poll) was founded in 1941 by my father, Roy Morgan, at the instigation of Sir Keith Murdoch. At the time my father was employed by The Herald and Weekly Times – my family had been involved with The Herald since my great grandfather William Williams was a Herald printer in 1852 – and soon after, with the Herald's help, William Williams was a joint publisher of The Diggers Advocate – the 'mouthpiece' of the miner's rights leading up to Eureka. William Williams was a prolific nineteenth century publisher.

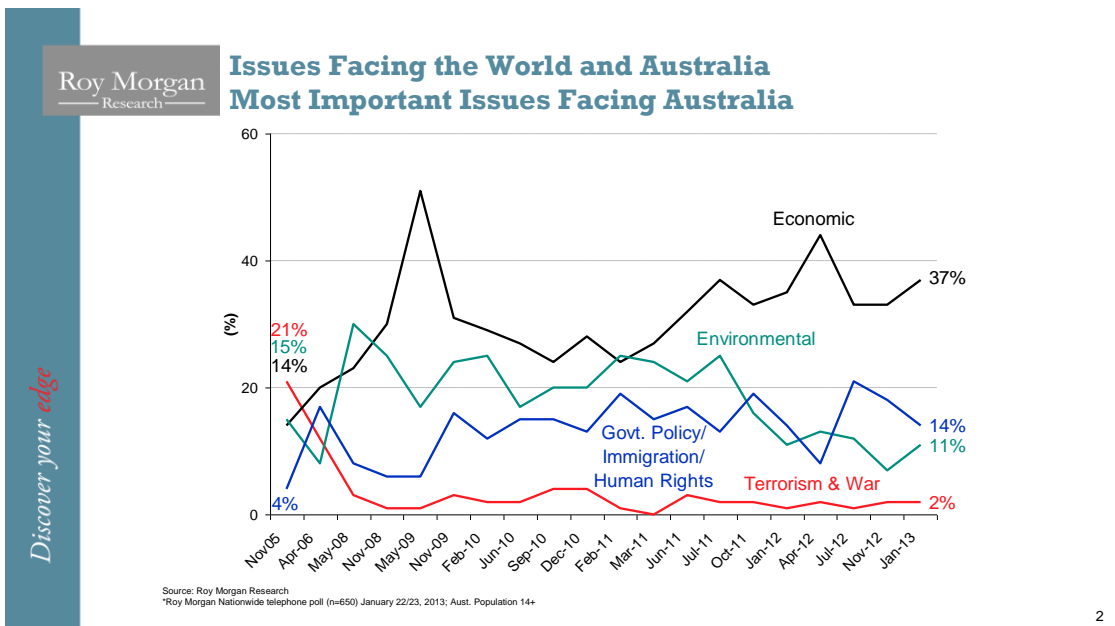
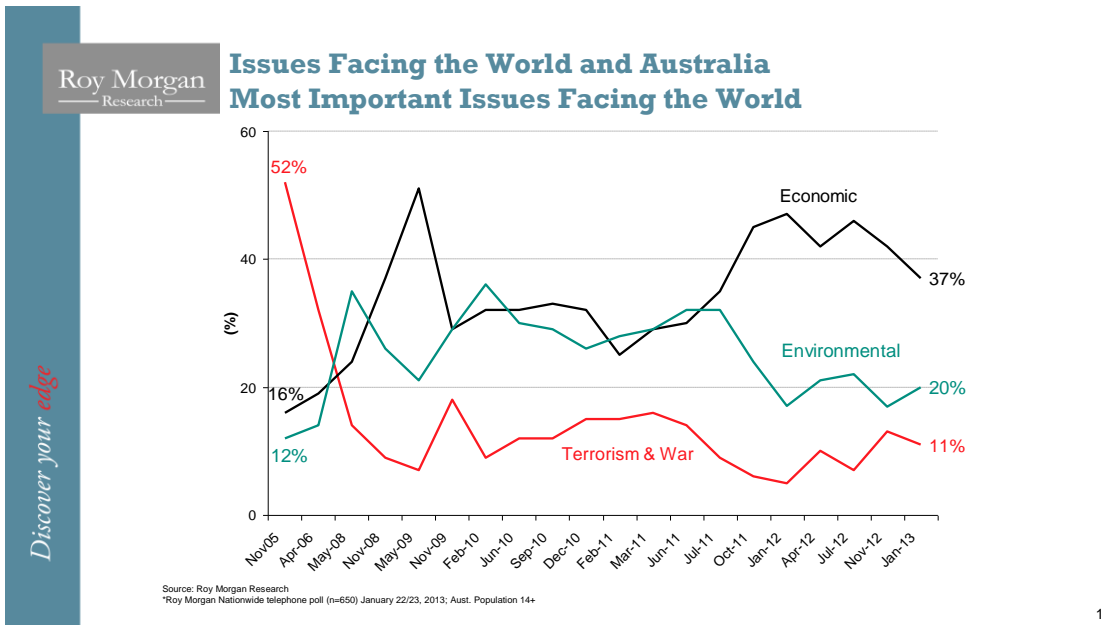
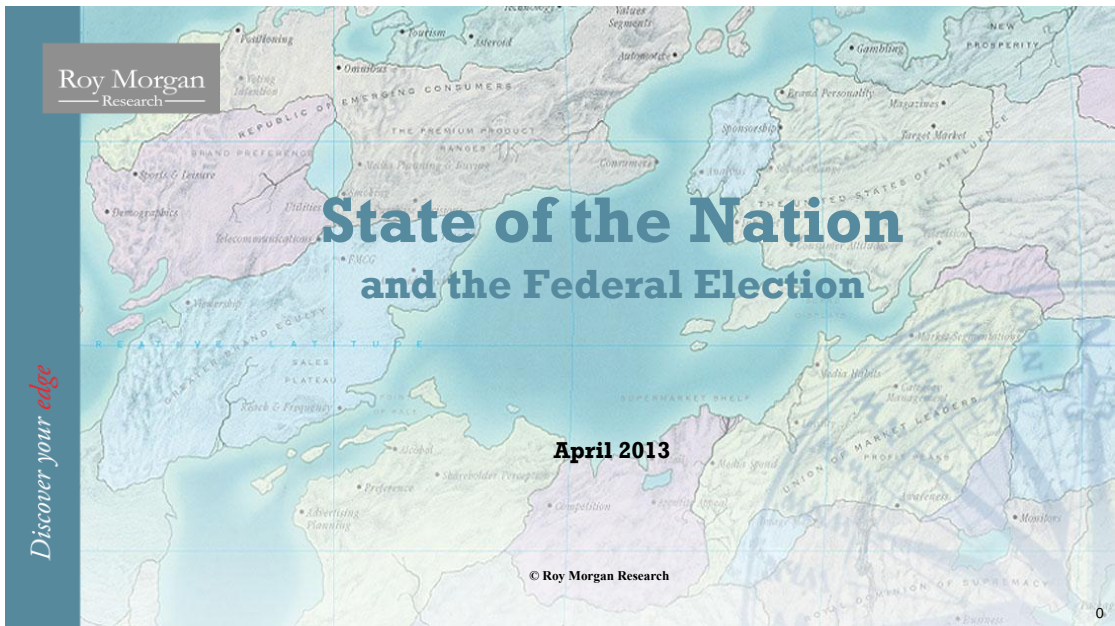
No more Melbourne media history as I have explained all in my publication ["Women, the Media, and People from Other Countries who have made Victoria - 1851 to Today" which I presented July 5, 2008](#) – there is a copy for all attending.

Before 'who will win' the next Federal election, Michele Levine, CEO Roy Morgan Research, will present social and political trends based on real data – Roy Morgan data.

The coming election – that is the L-NP's to lose

We are from Roy Morgan Research. This will be a data-based, evidence driven presentation (I can't vouch for the discussion and Q&A).

We'll do a tag team – I will show you some of the trends, Gary Morgan will tell you why the L-NP should and must win the next election; and I will talk about how Julia Gillard may be returned.



Consumer Confidence	123.2^[1]
Business Confidence	122.9^[2]
Unemployment including Underemployment	10.8%^[3] 18.2% (2.31 mil)³
Voting Intention	ALP 43.5% vs L-NP 56.5%^[4]
Government Confidence	101.5^[5]

[1] Roy Morgan Face-to-Face April 6/7, 2013; Aust. Population 14+

[2] Roy Morgan Business Single Source March 2013

[3] Roy Morgan Face-to-Face March 2013; Aust. Population 14+

[4] Roy Morgan Multi-mode, April 4-7, 2013; Electors

[5] Roy Morgan Multi-mode, April 4-7, 2013; Electors

Source: Roy Morgan Research

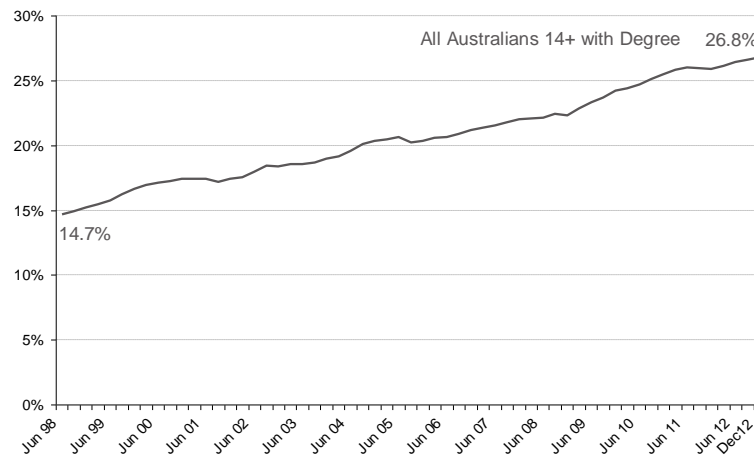
Society

Technology

Economy

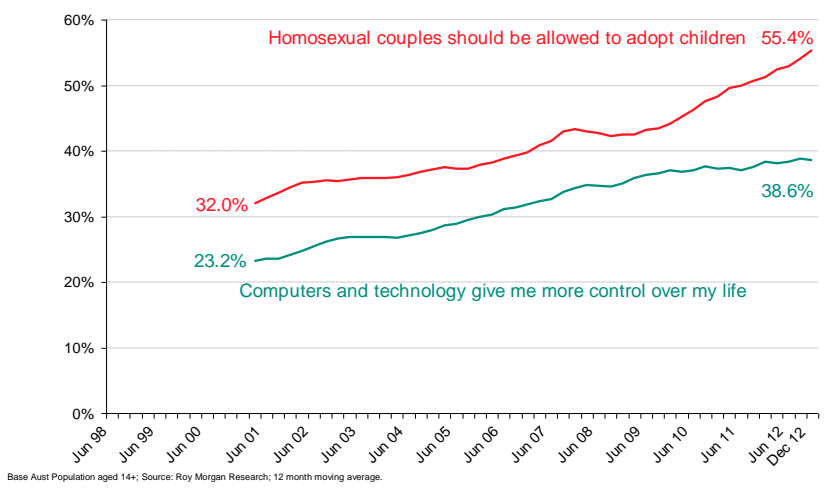
Political

Environment

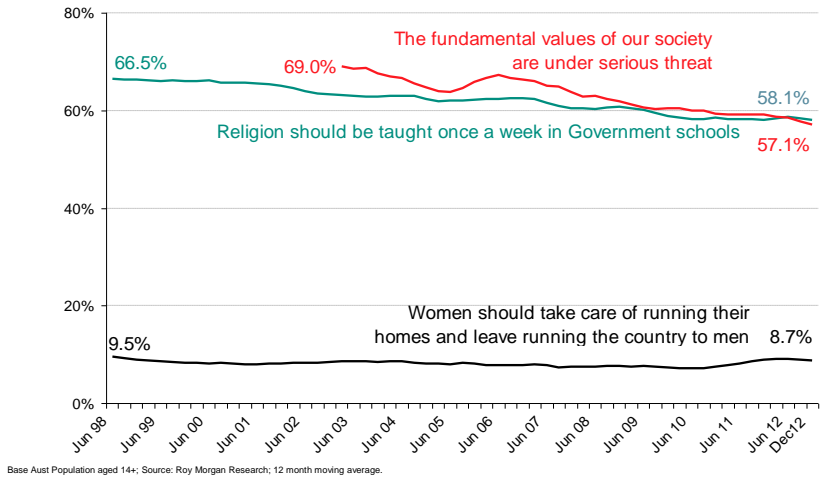


Base Aust Population aged 14+; Source: Roy Morgan Research; 12 month moving average.

SOCIETY Progressive Attitudes



SOCIETY Conservative Attitudes Declining

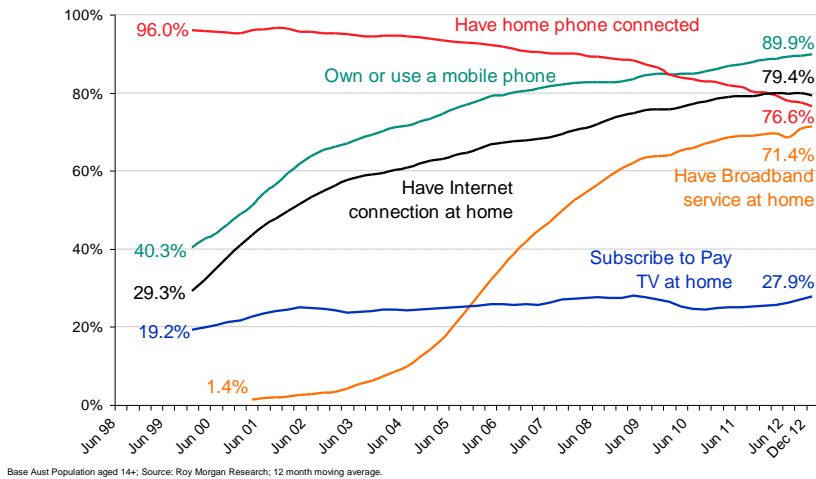


TECHNOLOGY

- Mobile phones, Internet & Broadband
- New Technology
- Media Consumption
- Banking & Finance
- Shopping on the Internet

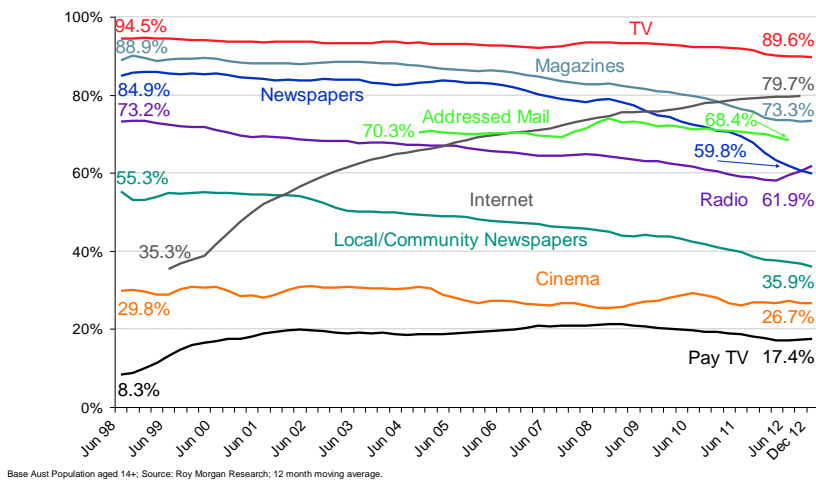
TECHNOLOGY Telecommunications

Discover your edge



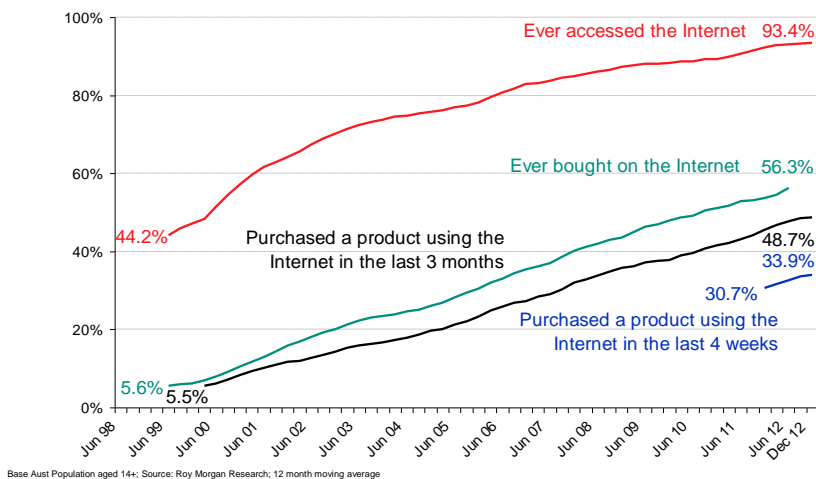
TECHNOLOGY Use of Major Media Types

Discover your edge



TECHNOLOGY Used the Internet or Purchased on the Internet

Discover your edge



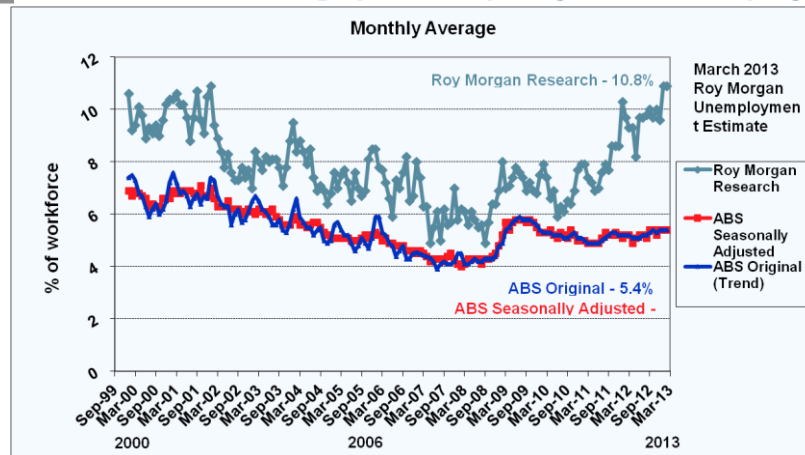
ECONOMY

- Unemployment & Workforce Participation
- Consumer Confidence
- Lead Indicators – Share Market, Interest Rates, Exchange Rates, Superannuation
- Attitudes to Economy and Government Performance

12

ECONOMY

Level of Workforce Unemployment – Roy Morgan/ABS Monthly Figures

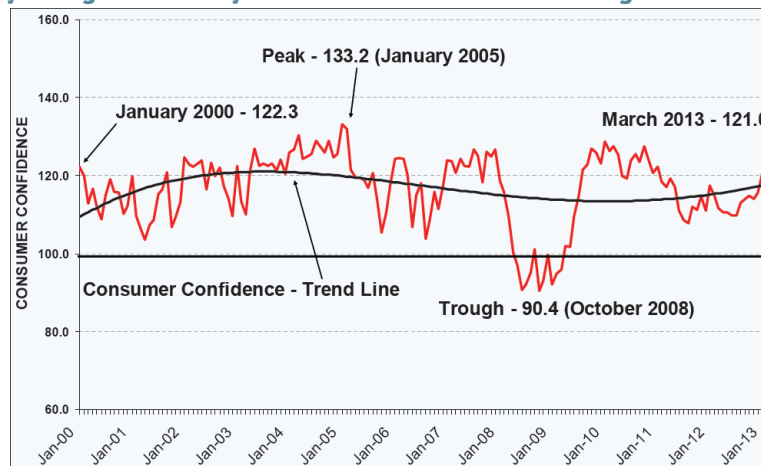


Base: Roy Morgan Research Aust. Population 14+. ABS. Monthly data.

13

ECONOMY

Roy Morgan Monthly Consumer Confidence – Long Term Trend



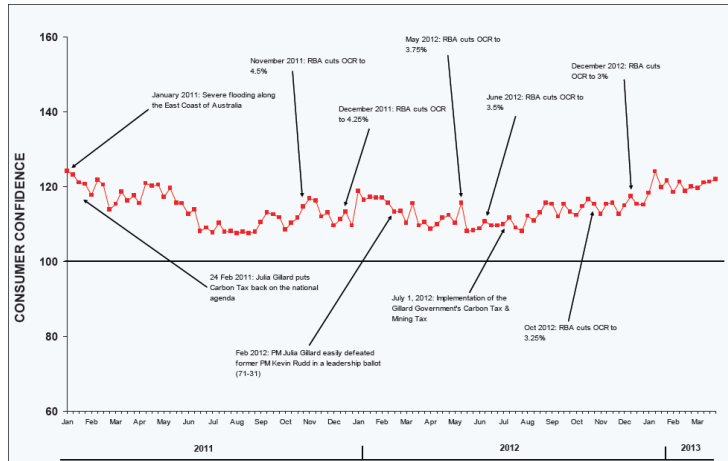
Base Aust Population aged 14+. Source: Roy Morgan Research.

14

ECONOMY

Roy Morgan Weekly Consumer Confidence – Short Term Trend

Discover your edge

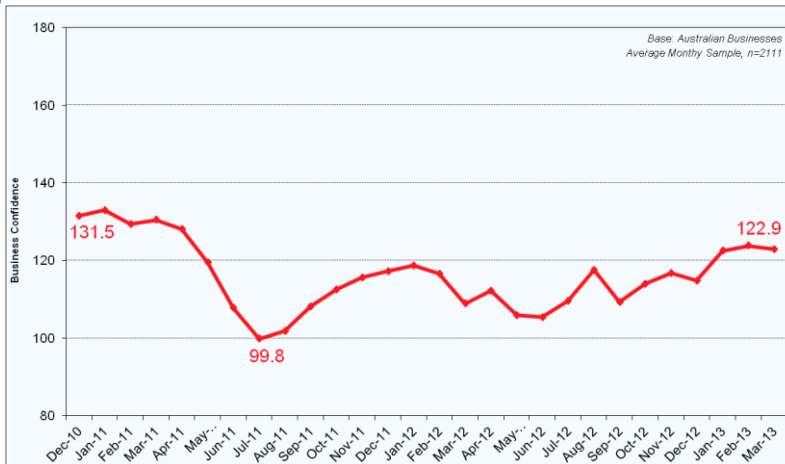


Base Aust Population aged 14+; Source: Roy Morgan Research;

ECONOMY

Business Confidence

Discover your edge

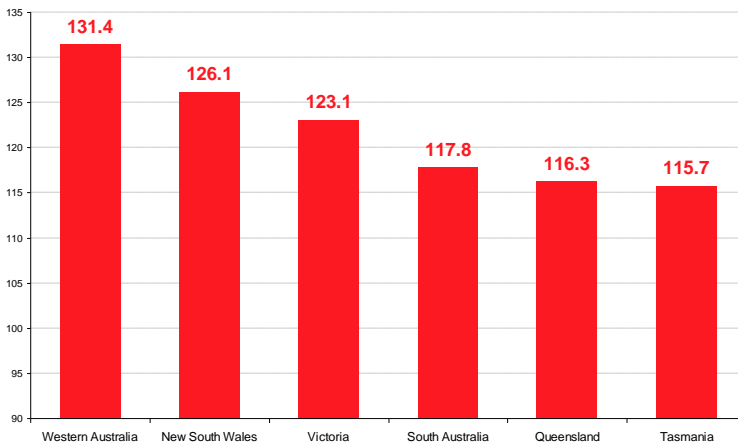


Base Aust Businesses Source: Roy Morgan Research;

ECONOMY

Business Confidence by State

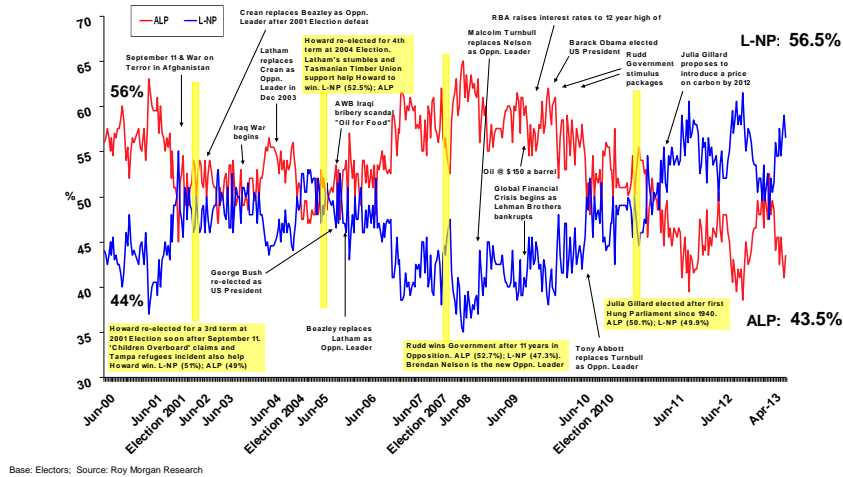
Discover your edge



Base Aust Businesses Source: Roy Morgan Research; Jan13-Mar13

- Voting Intentions

POLITICS
Federal: Two-Party Preferred



State of the Nation

April 2013

So who will win the next Federal election? Today most (if not all) believe the Coalition, however many 'experts' have been wrong in the past!

Hewson was to win,

Kennett was to win,

Brumby was to win.

And now Abbott is to win, easily – I believe he will win because the Gillard Government today is as 'bad' as the last days of the Whitlam Government.

The issue is: Will an Abbott Government win a mandate to implement change? If not, there is no need to change Government – nothing will happen!

Personally, I like other Australians, want a better Australia with jobs – full employment and a prosperous economy for everyone, this is not today in Australia – to achieve this means 'hard decisions', such as:

Closing Canberra – a complete circus,

Honest Government – impossible,

Separation of an independent media and the 'state',

Productivity gains – completely ignored by both sides of politics,

A freer labour market,

Eliminating work practice rorts,

True business competition, and

Less union influence on Government.

Over the years I have given many papers covering all of the above. What concerns me is 'cries' from both sides of politics for 'productivity' gains and a need for a freer labour market **with no explanation from either side of politics on 'how' – and with the illegal cash economy continuing to 'thrive'!**

See the following **email exchange I had on Saturday June 18, 2011 with Paul Howes, National Secretary, Australian Workers Union** regarding his article 'Flying a Rebel Flag to Ensure all are given a Fair Go' in *The Weekend Australian* (Page 14). Howes completely ignored my comment regarding the major issue of the '**cash economy**'! (See Page 14 ["Women, the Media, and People from Other Countries who have made Victoria - 1851 to Today" which I presented July 5, 2008](#)) regarding my reference to labour market (IR) 'rorts'. See also Page 138 **Appendix 6: [Glen Ira Council Australia Day Breakfast 'Change is needed by all'](#)** in my publication.)

Dear Paul

Read your article in today's Australian - very good, however there were many unions before 1886, the Trades and Labour Council had its first meeting in June 1874. In

February 1874 my great grandfather William Williams worked with David Syme and the Printers Union in settling a major dispute on child labour - nothing much has changed today, with the large number of young adults (children) working for cash in the hospitality industry. You and I could fix a lot of problems however the ALP needs to get rid of the cash economy and make sensible changes to free up the labour market. Regards Gary Morgan

Thanks Gary - you're right about earlier unions but we are the oldest continuous union in the world all the others folded or merged over the years.

So unless a clear productivity 'offer' involving IR reforms is outlined by the Opposition the next Federal election could be much closer than we all think today!

On September 10, 2008, I presented a paper at The Australian Club ["Who will be the next Prime Minister of Australia? A Woman and it will be sooner than you think!"](#) I was right!

I then said:

Toward the end of the Howard Government's last term they had completely lost credibility with the electorate having:

1. Lied on 'children overboard',
2. Lied on the reason for sending troops to Iraq,
3. Lied about their knowledge regarding the AWB's Iraq dealings,
4. Lied on the true unemployment estimate, and
5. Lied by saying "nobody would be worse off under Work Choices".

The above situation could have been overcome if Howard, Costello and their team had all 'understood' and 'confronted' each issue 'head-on'.

Fortunately for the Howard Government before the 2007 Federal election 'Children overboard', Iraq and the AWB issues were no longer 'top of mind'. However as election time neared things became much worse for the Howard Government than a few 'lies' as both Howard and Costello 'blindly' refused to:

1. Accept the fact that the **'true' unemployment number was much higher than stated by the Australian Bureau of Statistics (ABS)**, and
2. Refused to honestly accept and explain the significant advantage to Australia of more realistic, lower 'over award' payments resulting from a less regulated 'labour market' under Work Choices. The unions spent \$millions 'bashing' Work Choices with no opposition and won!

My concern today is unemployment and under-employment. So I will compare 2007 with 2013

Before the 2007 Federal election the Howard Government did not articulate adequately or accurately the absurdity of using the European 1950s method currently used by the ABS to measure employment and unemployment – **a person who works for an hour or more in a month is classified as employed!** And there is no recognition of the **under-employed – those wanting to do more work**, nor is there recognition of the large number of unemployed middle managers masquerading as consultants.

At a ‘first look’ the November, 2007 ABS ‘artificially low’ estimate of unemployment looked good for the Howard Government ([ABS November, 2007 unemployment estimate 4.5%](#)^[1], while [Roy Morgan real unemployment estimate for July to September 2007 was much higher at 5.8%](#) - the subsequent October to December, 2007 [Roy Morgan real unemployment estimate was even higher 6.1%](#)). However with under-employment included there were in 2007 a total of 1.26 million Australians (11.8% of the Australian workforce) were either unemployed or under-employed – in 2007 it was then considered a lot.

What was worse, in 2007 Costello should have demanded all RBA interest rate decisions were based on using the ‘true’ unemployment and under-employment estimate (11.8%) so it was made clear to the RBA **before the Federal election** that putting up interest rates was ‘political’ and definitely not needed.

In 2007 the RBA was given no alternative than to believe the wrong low ABS November 2007 unemployment number - **they acted on the ABS 4.5% unemployment estimate by raising interest rates – the consequences were dire – a Rudd Labor Government.**

Today the unemployment situation is much worse compared to 2007. The Roy Morgan March 2013 unemployment estimate shows **2.31 million Australians (18.2% of the Australian workforce)** are either unemployed or under-employed - of those people 936,000 million are under-employed!

Yes, the ABS employment measurement in 2007 was known by all including those at the RBA to be wrong and misleading! And today the ‘sham’ low ABS unemployment estimate (5.4% February, 5.6% March – Roy Morgan March nearly double at 10.8%) still exists because the ABS are not ‘questioned’ by the Federal Opposition. **The Federal Government use the low ABS unemployment estimate to claim a well run economy; and the RBA use it as the reason to keep interest rate artificially high with disastrous consequences.**

^[1] Based on the December 13, 2007, ABS release detailing the November 2007 unemployment estimate

Australia is a 'high basic wage' country needing to survive in a global economy – **Australia can only survive with a 'both ways' flexible 'labour market' including jobs for casual workers – students, mothers, retired people.**

Before the 2007 Federal election Roy Morgan surveys clearly showed that workers on AWAs were **more** satisfied with their jobs than others (we published this more than once) – and Roy Morgan surveys showed there were about as many electors who were strongly in favour of Work Choices as there were those strongly against it. However the Howard Government **lied re: Work Choices** by claiming "**nobody would be worse off under Work Choices**".

Those 'rotting' the system would be "worse off", and they included a large number of workers from all 'walks of life' including politicians, public servants and those in large corporations – not just union members!

I said in 2008, if the Rudd Government were returned in 2010 it would be only a matter of months before Julia Gillard then becomes the **first woman Prime Minister of Australia**. With her stated 'economic beliefs' Australia would soon be heading down the 'NZ path' with a highly regulated, more inefficient, work force. Rudd was gone before the 2010 Federal election and things today are much worse than expected with no signs of improving.

Today the Coalition complains about nearly everything Labor does – but what are the Oppositions IR policies, nobody knows!

Abbott must outline a clear IR program to free up the 'labour market', eliminate employment torts (many over award payments) and stop the cash economy. The rights of contractors need to exist and 'unfair dismissals' demands condemned as a means of financial extortion – unfortunately today not yet confronted by the Coalition.

The Coalition seems slow to learn that the easiest way to win a large electoral majority is to confront the issues not ignore them – not confronting the electorate will result in a much closer Federal election with a hung Senate!

So unless a clear productivity 'offer' involving IR reforms is outlined by the Opposition the next Federal election could be much closer than we all think today!

How could Gillard win?

The L-NP is set to win – it's unlikely to be as big a landslide as the polls – even the Morgan Poll – suggest. This is because, everyone thinks the L-NP will win – and this

tends to bias all polls a little. (Actually at the polling booth on the day – a strong expectation of an easy win for a party will tend to sway electors the other way.)

But that's not why Julia Gillard could win.

Three points to this story:

1. The 'unimaginable' has happened before – failure has been seized out of the jaws of success in previous elections –
John Hewsen – birthday cake,
John Howard – Tampa,
Ted Baillieu – 'land deals' ALP ads backfired.
2. There is a 'vacuum' today around social issues. With an increasingly socially progressive and international population, Tony Abbott's Coalition is very conservative; the ALP is playing a traditional Labor/trade unions and conservative working class line. The China agreement is an exception (and Julia Gillard seemed uncomfortable) and may evolve over the next few months as a positive for the ALP.

Neither major party is speaking to the social side of the nation – this leaves a huge opportunity for a 'wedge' along moral or conscience lines – eg gay marriage.

3. The 'sleeper' this time is more powerful than any we've seen before – the child abuse in the church (makes the cigarette companies fade into insignificance). It's only a matter of timing. Tony Abbot will find it very hard to come out strongly enough against the church when he claims such people as Bob Santamaria and Cardinal Pell as his mentors.

And remember the Morgan Poll, conducted just before Julia Gillard became Prime Minister, found Australians were more worried about a deeply conservative religious Prime Minister than a woman in a de facto relationship who didn't believe in God.

It really is just a matter of timing.

Q&A

What can the L-NP do to ensure they don't get caught?

* Own jobs!!

If the announcement of 500 job losses at Holden had been accompanied by the L-NP recognising that unemployment is over 10% (not ABS Government estimate of 5.4% February, 5.6% March) **they would own the jobs agenda.**

And that Roy Morgan's unemployment estimate today (10.8%) is almost double the 6.1% Roy Morgan unemployment estimate measured in March 2008 before AWA were stopped by the Rudd Government on March 19, 2008.