

Who will be the next Prime Minister of Australia? A Woman and it will be sooner than you think!

by

**Gary Morgan, Executive Chairman
Roy Morgan Research**

Wednesday, September 10, 2008

I appreciate the opportunity of presenting this paper today – it is timely as Australia is heading for a crisis which Australia doesn't need to have – [a lot has happened since the November 24, 2007 fall of the Howard Government!](#)

Firstly, apologies from two guests I invited – Hugh Morgan (ex-RBA Board Member) and John McInnes (Director of Roy Morgan Research) and acknowledgement of the help given by Hugh Morgan, and Roy Morgan CEO, Michele Levine – who doesn't agree with all my opinions!

In the July 5, 2007 Roy Morgan Unemployment release, 14 months ago, we reported unemployment had fallen sharply, it was down 1.6% to 5.6%. I said:

“With the latest Roy Morgan Unemployment estimate falling sharply from 7.2% to 5.6% it is obvious that the new IR laws, combined with the mining boom, are having a significant effect on bringing many more people into the workforce — [the 'hidden and underemployed' are getting jobs because of greater flexibility in the work place, good for them and good for Australia! More people entering the work force should keep the dollar high and lessen the need for the RBA to increase interest rates next month.](#)” <http://www.roymorgan.com/news/polls/2007/4183/>

A year later on July 5, 2008 I presented my [Victoria Day Council 2008 La Trobe Lecture](#) (presented in Queen's Hall, Parliament of Victoria <http://www.roymorgan.com/resources/pdf/papers/20080810.pdf>). I did a lot of research for this lecture and learnt a lot I didn't know. And **YES**, a lot has happened since Victoria was founded on July 1, 1851 and Australia over 200 years ago - unfortunately a period full of conflicts.

In this period, four major conflicts resulted in the pointless deaths of millions of people all over the world.

1. Napoleonic Wars,
2. The American Civil War - fought over slavery,
3. The First World War, and
4. The Second World War.

Reasons for these wars were complicated – economic access, greed, power and the gap between rich and poor. The outcomes were horrific and all involved the underlying themes of oppression, race and religion.

All had a defining impact on Victoria and Australia, either directly or indirectly, via influence from the homeland England.

The issues debated in Australia over 200 years are the same as those debated today – race, religion, education, tariffs and trade protection, immigration, taxation, ‘Labour Market’ reform, ‘booze’, etc!

The consequence of our history is today Australia, after more than 200 years, is governed under a cumbersome **democratic** process, something we all support although in many ways inefficient in obtaining needed economic changes due to significant changing circumstances – a **democratic** parliamentary system ‘held to ransom’ by minority interest political parties just as at Federation by Alfred Deakin and his protectionist colleges and racist media friends!

There is little doubt if we ‘started again’ government of Australia and our States would be nothing like it is today **SIMPLE!**

In the **Foreword** to my La Trobe Lecture

(<http://www.roymorgan.com/resources/pdf/papers/20080808.pdf> published August 19, 2008) I outlined the significant contribution NSW Governor Bourke had made in 1827 when he was then Acting Governor of the Cape of Good Hope. At Bourke’s suggestion, the UK Colonial Office in 1829 (Duke of Wellington, UK Prime Minister) introduced a Colonial Law that the **press** should be controlled not by licences issued or withdrawn at a Governor’s discretion, but by the due processes of the law. This major UK Colonial Legislation had long and far reaching consequences in all British Colonies establishing a free **press** virtually secured by statute.

Despite freedom of the **press** and a **democratic Australia** I would suggest only five significant Federal Government Parliamentary reforms have occurred in Australia since Federation in 1901, namely:

1. Free university education (Whitlam Government)
2. Floating of the dollar (Hawke/Keating – supported by the Coalition)
3. Significantly cutting tariffs (Whitlam in 1974 then the Hawke/Buttton Plan)
4. GST (Howard/Costello)
5. ‘Labour Market’ reform and Work Choices (Howard/Costello)

My business colleague and friend, John McInnes, has suggested I also include ‘Dividend imputation’ and ‘Compulsory superannuation’ (Keating followed by Costello’s removal of the tax on superannuation), and my friend Peter McLennan has suggested I include ‘Medicare’ (Whitlam).

I propose to focus on the Howard/Costello ‘Labour Market’ reform and Work Choices because:

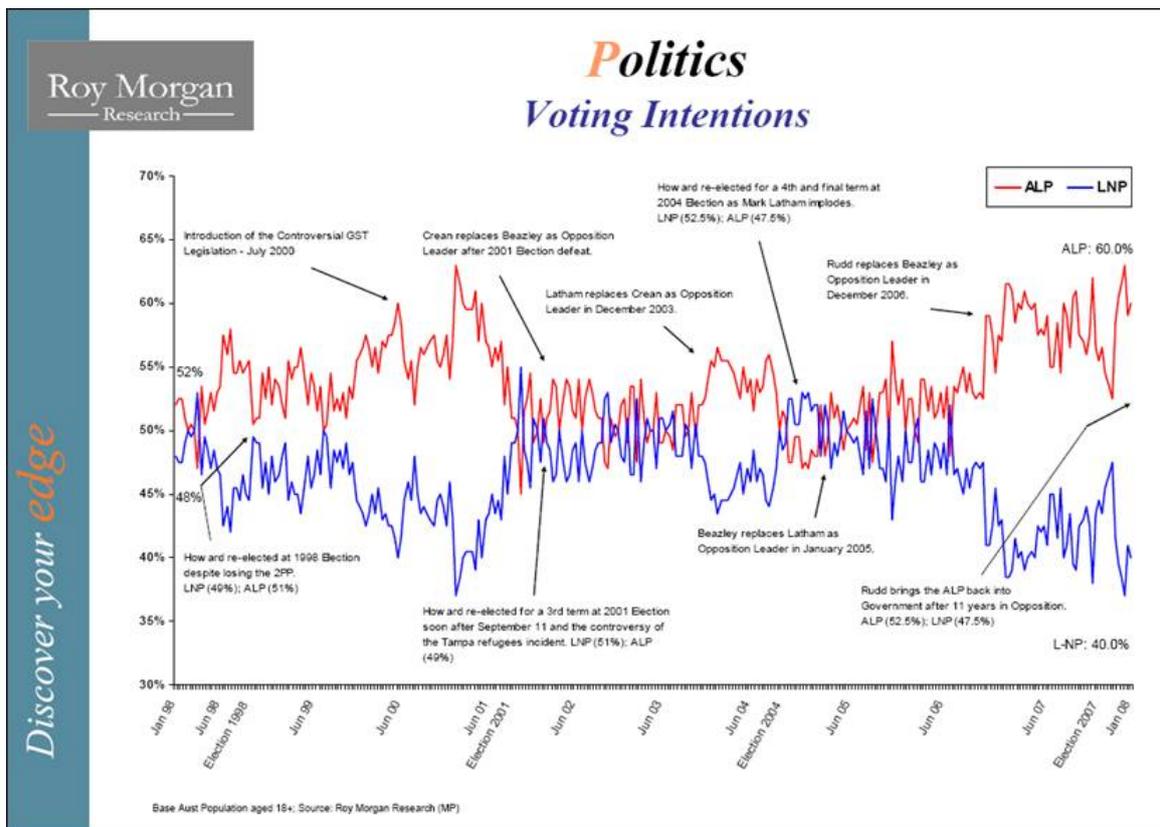
- a) The ‘reforms’ are being revoked by the Rudd Government, and
- b) Australia’s future viability in the global arena depends on having the kind of flexible workforce that Howard Government real work place reforms were designed to deliver.

Let me make the point: For Australia to remain competitive with the high minimum wages we all highly value, Australia must have a flexible workforce **FULL STOP.**

The crucial need for Australia to have ‘Labour Market’ reform was the main reason Australia needed the Howard Government for another term and be re-elected at the last Federal election. It is now more obvious with the Global economical downturn. There is no doubt that Australia today would be best served with strong experienced economic management something completely lacking in the Rudd Government.

Why was the Howard Government defeated at the 2008 Federal Election?

Leading up to the 2008 Federal election the Howard Government was consistently behind in the weekly Morgan Poll because they were tired and lacked an understanding of the electorate’s desire for change – in fact they were mostly behind from 1998 – they won the 2001 and 2004 elections due to ‘unpredictable’ circumstances – September 11 and Mark Latham!

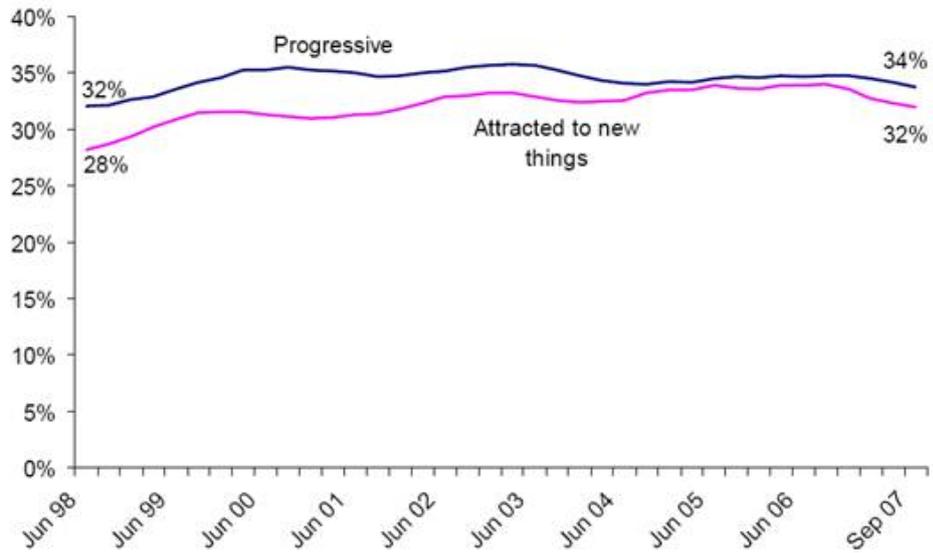


The latest [Roy Morgan ‘State of the Nation’ Report](#) shows clearly that over the last 10 years the **Australian electorate had become more socially progressive, more environmentally engaged, open to new ideas and accepting of differences.** There is no doubt that after 11 years of governing the ‘conservative’ Howard Government was gradually becoming more and more out of touch with its increasingly ‘progressive’ electorate.

Society

Australians Becoming More Progressive

Discover your edge

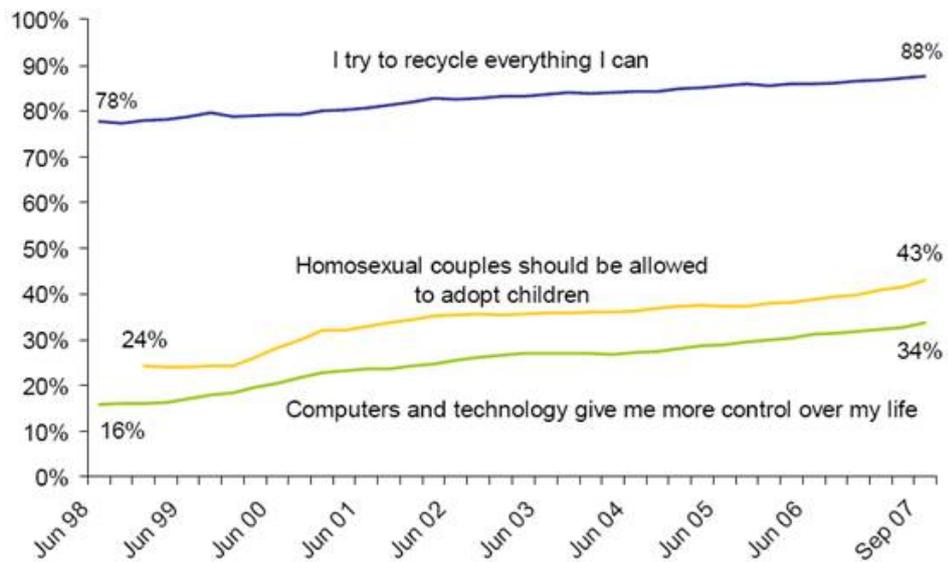


Base Aust Population aged 14+. Source: Roy Morgan Research (10M)

Society

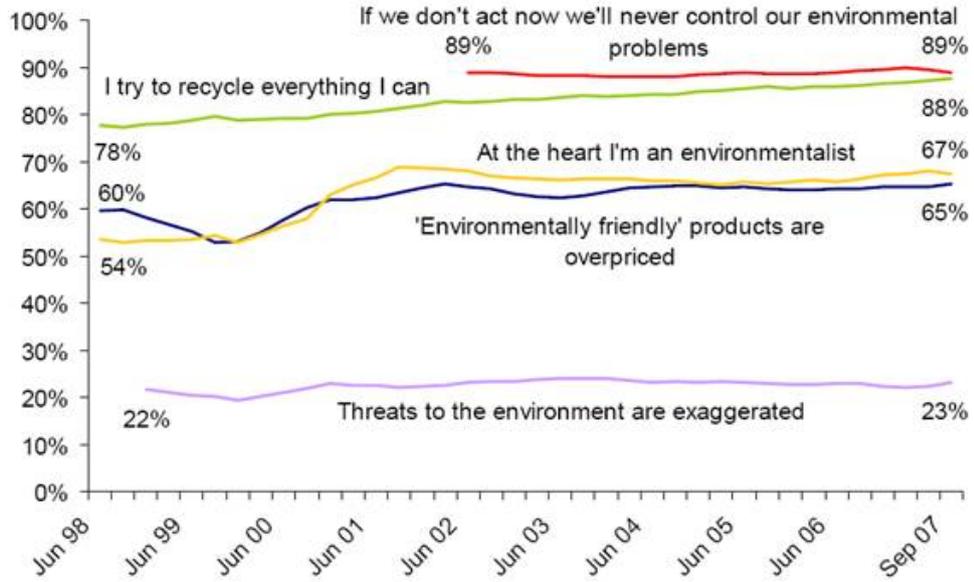
Australians Becoming More Progressive

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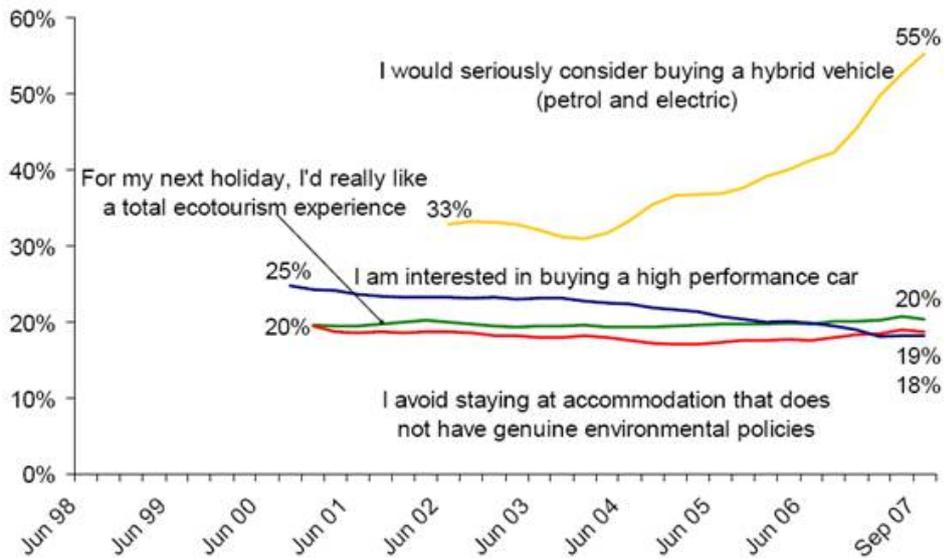
Base Aust Population aged 14+. Source: Roy Morgan Research (10M)

Environment Environment as an Issue has come of Age



Discover your edge

Environment Taking Action is the Next Step



Discover your edge

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 'Children overboard', Iraq and the AWB issues were no longer 'top of mind' before the Federal election campaigns started. 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 lower 'over award' payments resulting from a less regulated 'Labour Market' under Work Choices.

Despite good economic management by the Howard Government for 11 years nobody should 'underestimate' the crucial role of the Reserve Bank of Australia's (RBA) November interest rate increase and the devastating timing of that increase (slightly more than 2 weeks before the November 24 Federal election) on the final downfall of the Howard Government.

It is important to realise that both sides of politics had agreed in writing with the RBA that the RBA's prime consideration must be fighting inflation – [nothing can be worse for a country than rising unemployment and rising inflation](#).

On November 9, 2007 with a fragile international economy, particularly in America, [I pointed out](#):

*"For the RBA to be raising interest rates despite these pressures, and in the face of rising unemployment, points to an institution that has lost its way due to the Howard Government's poor direction. Given everyone's concerns for the 2008 global economy, the RBA risks losing credibility with decisions that are too hasty – **there was no reason to raise interest rates this week – irrespective of whether during an election campaign or not!**"*

Before the 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! So there is no recognition of the underemployed – those wanting to do more work nor is there recognition of the large number of unemployed middle managers masquerading as consultants.

What is worse Costello should have demanded the RBA interest rate decision was based on using the 'true' unemployment and under-employment estimate so it was made clear to the RBA that putting up interest rates was 'political' and definitely not needed **FULL STOP!**

Yes, the ABS employment measurement was known by all including those at the RBA to be wrong and misleading!

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%](#)).

When the RBA believed the ABS November 2007 unemployment number and acted on it by raising interest rates – then the consequences were dire – a Rudd Labor Government **GAME SET MATCH!**

Immediately on winning the Federal Election an ‘out of touch’ Rudd Government advocated increases in Government spending, a more regulated ‘Labour Market’ coupled with RBA unnecessary interest rate rises. Australia was soon on its way to the recession Australia ‘didn’t need to have’. What is even worse today we are being told by the RBA Australia is heading for much higher unemployment, higher inflation, and not necessarily lower interest rates despite a much lower dollar! **DO WE LIVE IN THE REAL WORLD?**

Last Friday, September 5, 2008 I made the following point with the latest [Roy Morgan Consumer Confidence Rating](#) release:

“The Roy Morgan Consumer Confidence Rating has rebounded strongly off its 17 year low, rising 9.2 points to 99.3. The rebound is a result of Australians anticipating the Reserve Bank would finally end its rigid high interest rates policy and start listening to what the community has been saying.

“I have consistently said that the Reserve Bank must cut interest rates – which are at 12-year highs – the Reserve Bank must understand that [real unemployment in Australia](#) (as measured by Roy Morgan) is much higher than the [official ABS figures](#) suggest. (The “Fantasy of full employment” was explained in Michele Levine’s March 14, 2008 address to the National Press Club “[Almost 1.5 million Australians looking for work or looking to do more work](#)”.)

“The Reserve Bank must quickly cut interest rates further if they want to avoid putting more Australians out of work and plunging Australia into a recession we don’t need.”

Would the L-NP have been re-elected if they had ‘honestly’ reported unemployment (and under-employment); and had undertaken the detailed micro-economic segmentation analysis required to understand which segments of the community were driving spending and borrowing – and kept the RBA accurately appraised of these economic factors? **YES.**

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 casual workers **FULL STOP.**

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

I said earlier the L-NP Government loss was not due to a ‘referendum’ on Work Choices – however a referendum on Work Choices now would be a good thing.

Work Choices - Why not now Liberal Opposition policy?

Roy Morgan surveys before the Federal election 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.

Unfortunately the Howard Government **lied re: Work Choices** by claiming "**nobody would be worse off under Work Choices**".

So as **not to expose this “lie”**, the Howard Government never admitted there were [large numbers of people wanting to work or do more work \(underemployed\) – 1.5 million in FACT!](#)

See Michele Levine, CEO Roy Morgan Research, [address “The Fantasy of Full Employment” National Press Club, March 14, 2008](#) (<http://www.roymorgan.com/resources/pdf/papers/20080302.pdf>)

For the Howard Government to win the Federal election they had no alternative but to tell the electorate the truth - some people (probably many more than they would have admitted) were always going to be "worse off" under "Work Choices" (**as they should have been**) –**there are far to many obvious employment rorts** (still the case with many Federal, State and Local Public Servants) – both sides of politics are well aware except it seems the Liberals who go to Canberra – **YES** Canberra is Australia’s greatest disaster!

Why should State Government attendants at “public places” get \$45+ an hour on Sunday and \$18 an hour Monday to Friday – is there a real reason? Why is there a building industry ‘Monday roster day off – is it needed for the building workers to finish their weekend cash jobs?’ and what about the unionised airport valet drivers receiving over award pay rates when people do most of their travelling!

The Liberals needed to debate why "Work Choices" worked – with Howard "leading the charge". And to do this Howard should have had three TV debates – if he had he would be PM today - Howard, like Fraser in 1983, was given poor advice (in Howard’s case from Crosby Textor) **SIMPLE!**

The only people who still “don’t understand” that the Howard Government **didn't** lose the election because of Work Choices are the Canberra Liberals - **the ALP have research reports conducted before the Federal election which showed what I have stated is a fact!**

So what happens now with a Rudd Government increasing Government spending and taxes and no Opposition, again **SIMPLE.**

Since the Rudd Government was elected on November 24, 2007 there have been no new policy initiatives to stop the ‘Recession we have to have’! Instead, there has been continuous debate in the media over who should be the Leader of the Opposition – **A DISTRACTION!**

Things have changed and the Rudd Government needs to immediately take pressure off wage demands and allow the deteriorating non-mining private sector to start recovering – all 2008

Budget tax increases need to be cancelled and all further Government spending increases including that on infrastructure must be cut – the alternative is doom!

While the Liberal leadership issue continues to provide a distraction there is little doubt that despite low consumer confidence, rising inflation (caused by overseas factors and higher wages), rising unemployment and a deteriorating economy the Rudd Government should be returned.

Prime Minister Rudd is a ‘good’ person – unfortunately he is not capable of change – if he were he would have acted in December 2007 with a demand for less government and lower taxes!

So if the Rudd Government were returned it would only be 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. It would not be long before Australia started “withdrawing” from the great China and India revolution with spiralling wage inflation and a completely crippled economy!

Can or will Julia Gillard change? She is clever – and she would be under a lot of pressure from Martin Ferguson and Bill Shorten, both with experience and know what is ‘right’!

If the current Liberal leadership issue is resolved then the situation would quickly change.

Who should be the Opposition leader – Nelson, Costello, Turnbull, Bishop, Hockey or someone else? With Turnbull, Bishop or Hockey and full support from the others, would they win?

YES – but the new leader must begin now campaigning on a ‘Work Choices’ free ‘Labour Market’ - Work Choices or Work Free with AWAs and ‘unfair dismissals’ maintained - the WA election was a vote against Union Power - something completely ignored by the **free press, Governor Burke would be ‘turning in his grave!’ FREELY.**

So who will be the Liberal leader? Definitely not Nelson or Costello – unfortunately unlike Howard (who was a poor Treasurer in the Fraser Government) they have shown they are incapable of change.

I would like to think Turnbull or Hockey, both clever and ‘top’ debaters but neither can come to terms with the wrong ABS unemployment estimate – they will both have an opportunity tomorrow with the release of the August ABS unemployment estimate!

So it will be Julie Bishop – she supports Work Choices and like Sarah Palin is “fresh air with no baggage”!

And the best thing for the Liberals is for Barnaby Joyce and his National colleagues is to go it alone – the Liberal vote will go up not down. **Thank you.**

ROY MORGAN PAPERS AND GARY MORGAN'S COMMENTS

1. Roy Morgan Unemployment release, July 5, 2007

Unemployment Falls Sharply; Down 1.6% To 5.6%

Gary Morgan says:

“With the latest Roy Morgan Unemployment estimate falling sharply from 7.2% to 5.6% it is obvious that the new IR laws, combined with the mining boom, are having a significant effect on bringing many more people into the workforce — the ‘hidden and underemployed’ are getting jobs because of greater flexibility in the work place, good for them and good for Australia! More people entering the work force should keep the dollar high and lessen the need for the RBA to increase interest rates next mont.”

Web: <http://www.roymorgan.com/news/polls/2007/4183/>

2. Roy Morgan Consumer Confidence Rating release, September 2007

Consumer Confidence Hits 2007 Low

Gary Morgan says:

“This is the first Roy Morgan Consumer Confidence Rating since the August 8 interest rate rise and the dramatic downturn in the US finance market — there is no chance the RBA will increase interest rates between now and Christmas.

“It is important to understand this latest result – the data shows Australians are already feeling financial pressure themselves, it is not just an ‘academic’ concern about the economy and the future.”

Web: <http://www.roymorgan.com/news/polls/2007/677/>

3. Roy Morgan Unemployment release, October 12, 2007

Unemployment Up 0.2% To 5.8% in September Quarter

Web: <http://www.roymorgan.com/news/polls/2007/4224/>

4. Consumer Confidence up sharply, October, 2007

Gary Morgan says:

“After a sharp fall in [the September Roy Morgan Consumer Confidence Rating](#) — which was the first following the most recent interest rate hike — confidence has returned to about where it was prior to the rate rise.

“The main factor in this month’s rise in confidence is that people’s perceptions of both the past and future have increased now that they’ve had time to readjust to the latest interest rate rise. The number of Australians who say their personal financial situation is better now than it was last year is up 7% to 40%, while the number who expect to be better off financially this time next year is up 6% to 45%.

“The number of Australians who say ‘now is a good time to buy major household items’ is down 9% from 58% to 49% since the July Roy Morgan Consumer Confidence Rating.”

Web: <http://www.roymorgan.com/news/polls/2007/690/>

5. Small Drop in Consumer Confidence, November 2007

Gary Morgan says:

“Although the November Roy Morgan Consumer Confidence Rating was taken the weekend prior to the recent 0.25% interest rate rise, it was widely accepted last weekend that there would be a rate hike. This, combined with the release of higher than expected inflation data (underlying inflation of 0.9% for the September Quarter and 2.9% for the year ending September) on October 24, explains the reduction in confidence, albeit a fall of only 1.3 points.”

Web: <http://www.roymorgan.com/news/polls/2007/698/>

6. RESERVE BANK TURNS UP THE HEAT ON AUSTRALIAN WORKERS, November 9, 2007

By Gary Morgan, Luke Griffiths, Julian McCrann (Editors, Morgan Poll)

<http://www.roymorgan.com/resources/pdf/papers/20071101.pdf>

7. Rate Rise Likely To Affect Christmas Shopping - 47% Say "Now is a Good Time to Buy Major Household Items", Lowest Result In A Year, December 2007

Gary Morgan says:

“In the first Roy Morgan Consumer Confidence Rating since the early November 0.25% interest rate, confidence is up marginally to 126.8 — the equal-highest level for 2007.

“However, the recent rate rise is likely to have played a major role in just 47% of Australians saying that now is a good time to buy major household items — its lowest level since the same time last year.

“Positively, the 2007 average of 123.8 is the third highest since 1973, surpassed only by 2004 (126.7) and 1994 (124.2). This is despite two interest rate hikes in 2007 and a major international financial scare that originated in the US sub-prime market, and resulted in flow-on effects the world over.

“The recently installed Rudd Government will be hoping that they can match the consistently high Consumer Confidence results achieved during John Howard’s 11 year tenure.”

Web: <http://www.roymorgan.com/news/polls/2007/708/>

8. WOULD THE LNP HAVE BEEN REELECTED IF THE GOVERNMENT HAD HONESTLY & ACCURATELY REPORTED UNEMPLOYMENT (AND UNDERUNEMPLOYMENT)? December 19, 2007

By Gary Morgan (Executive Chairman) & Michele Levine (Chief Executive), Roy Morgan Research

<http://www.roymorgan.com/resources/pdf/papers/20071202.pdf>

9. Consumer Confidence down sharply in first survey of 2008. January 2008

Gary Morgan says:

“Consumer Confidence usually increases in January. However, this year international economic concerns appear to be having an effect on Australians’ Consumer Confidence.

“Australians are now much more pessimistic about economic conditions in the next 12 months — there has been a massive swing in the number of Australians expecting good/bad economic conditions in the coming 12 months. In December it was 47% good and 13% bad compared to the January results of 38% good and 25% bad.

“The number who say now is a ‘good time to buy major households items’ (52%, up 5%) is up in January. Historically there is usually an increase in January, generally thought to be due to much publicity and advertising for post-Christmas sales. However, this year there is the additional factor of and talk about future price rises due to world wide inflation resulting from higher oil prices.

“[Earlier this week](#) Roy Morgan released December 2006 unemployment figures that found a rise in ‘real’ unemployment, albeit small, for the second period in a row. This, combined with the dramatic fall in Consumer Confidence, must be taken as a warning to the Reserve Bank of Australia — [putting up interest rates again could ‘break’ the finely tuned Australian economy; and down we go ‘all the way with the USA!’](#) [We explained in December](#) that there was no need for the RBA to increase interest rates just prior to the Federal election and there is no need now.”

Web: <http://www.roymorgan.com/news/polls/2008/713/>

10. Unemployment now 6.1% - Up for the Second Quarter in a row, January 9, 2008

Gary Morgan says:

“The latest rise in ‘real’ unemployment, albeit small, is the second warning to the Reserve Bank of Australia — putting up interest rates again could ‘break’ the finely tuned Australian economy; and down we go ‘all the way with the USA!’ [We explained in December](#) that there was no need for the RBA to increase interest rates just prior to the Federal election and there is no need now.

“When Kevin Rudd and Wayne Swan comment on how the Australian economy is going they need to use the Roy Morgan ‘real’ unemployment figures NOT the ‘wrong’ ABS unemployment estimate.

“Following Howard and Costello in using ‘wrong’ unemployment estimates will, in February, give the RBA the opportunity to put up interest rates up again. The ALP has ‘no chance’ of lasting more than one term if — with help from the RBA — they deliver a recession we DON'T have to have!”

Web: <http://www.roymorgan.com/news/polls/2008/4262/>

11. Consumer Confidence at lowest level since November 2006, February 2008

Gary Morgan says:

“The interviewing for the February Roy Morgan Consumer Confidence Rating was conducted prior to Tuesday’s 0.25% interest rate rise, although it was widely reported in the weeks leading up that a rate rise was almost inevitable.

“The 2.8 point fall (to 115.8) in this month’s Roy Morgan Consumer Confidence Rating could have been a lot worse when you take into account much talk about rising interest rates, the January 22 share market crash and the ongoing volatility in international finance markets.

“Earlier this week, Roy Morgan Research released [data comparable to the weekly US ABC/Washington Post Consumer Comfort Index](#). This data showed that despite recent falls in the Australian Roy Morgan Consumer Confidence Rating, Australians are much more confident than our American counterparts.”

Web: <http://www.roymorgan.com/news/polls/2008/723/>

12. Consumer Confidence continues its downward spiral - Intention to buy lowest in 7 years, March 2008

Gary Morgan says:

“The Reserve Bank’s measures to curb spending are starting to take full effect with intention to buy major household items now at its lowest level in almost seven years (39%, down 7%).

“Short-term expectations of the Australian economy have also fallen dramatically in recent times. Now, less than one-third (32%, down 4%) expect good times financially in the next 12 months, well below the 47% who were expecting good times in December last year.

“Consumer Confidence in the booming states of Queensland (114.9) and Western Australia (114.6) is well above the national average, whereas confidence in the traditionally strong eastern states of New South Wales (106.7) and Victoria (105.3) is below the average.

“Interviewing for the March Roy Morgan Consumer Confidence Rating was conducted prior to Tuesday’s 0.25% interest rate rise, although it was widely reported beforehand that a 12th consecutive rate rise was likely.”

Web: <http://www.roymorgan.com/news/polls/2008/730/>

13. Unemployment now 6% - virtually unchanged in March Quarter, April 10, 2008

Gary Morgan says:

“The Rudd Government should be pleased that real unemployment at 6% is little changed from the December Quarter — but it’s too early to see the effect of the 0.5% interest rate rises during this period.

“What should be concerning the Rudd Government is the 1.5 million Australians looking for work, or looking for more work, as clearly explained by Michele Levine in [her paper that was recently presented to the National Press Club](#) — this is both an opportunity and a threat.

*“The Rudd Government needs to take this into account when framing next month’s May Budget — it was recently explained very clearly by both Tim Colebatch ([“Frontier of full employment is a long way off”](#), *The Age*, February 18) and Martin Fell ([“Figures that just don’t add up”](#), *The Age*, April 7).”*

Web: <http://www.roymorgan.com/news/polls/2008/4284/>

14. Roy Morgan Consumer Confidence Rating Drops 24.2 Points to 100.1 - Lowest Result since Sep 1993 - Only 25% Expect Good Economic Conditions in the Next Year, April 2008

Gary Morgan says:

“As the bad US economic news continues, Australians are becoming ever more negative about their own prospects and the prospects for the country as a whole over the next year. The bad news persisted with the March RBA interest rate rise and the continued high price of petrol putting pressure on consumers’ confidence.

“The record low Roy Morgan Consumer Confidence Rating of 100.1 shows consumers are now finding it tough to make ends meet.

“The Reserve Bank (RBA) must now seriously consider quickly dropping interest rates as Australian rates are ‘out of touch’ with the developed world. Yesterday (April 10), The Bank of England cut a further 25 basis points to five percent, the UK’s lowest interest rate level in 17 months — following the world-wide trend to lower rates is the only way to avoid plunging Australia into a recession.

“The RBA must also take into consideration the large number of ‘real’ unemployed (6%), who with under-employed, comprises around 1.5 million — as [highlighted by Michele Levine in her recent paper](#) to the National Press Club.”

Web: <http://www.rovmorgan.com/news/polls/2008/739/>

15. Roy Morgan Consumer Confidence Rating drops 3 points to 97.1 – First time under 100 since September 1993, May 2008

Gary Morgan says:

“Australians’ views of the economy and their own personal financial situations continue to deteriorate as the latest Roy Morgan Consumer Confidence Rating of 97.1 shows — the first time the Index has dipped below 100.0 since September 1993.

“The large jump in Australians who expect their family to be in a worse financial situation in a year’s time (up 5% to 27%) shows Australians are beginning to worry that the downturn in economic conditions is likely to affect them and their families.

“The record high prices of petrol around the country, and the highest interest rates for nearly 12 years, at 7.25%, are putting a squeeze on consumer’s wallets as inflationary expectations start to take hold.

“The Reserve Bank (RBA), which finally noticed the distress in the community and did not again raise interest rates at its meeting earlier this week, May 6, [should be dropping interest rates at its next meeting in June before the Australian economy enters a recession Australians don’t need.](#)”

Web: <http://www.roymorgan.com/news/polls/2008/751/>

16. Roy Morgan Consumer Confidence Rating Drops 6.4 Points to 90.7 – Now 45% of Australians Believe they are Worse Off than 12 Months Ago, June 2008

Gary Morgan says:

"Australians' views of the economy and their own personal financial situations continue to deteriorate as the latest Roy Morgan Consumer Confidence Rating of 90.7 shows — the lowest result recorded since December, 1991.

"The large jump in Australians (now 45% of us, up 20% this year) saying that they and their family ARE worse off than last year shows that the dual impact of high interest rates and rising oil and food prices is hurting people and could well lead to a continuing downturn in economic conditions.

"The record high prices of petrol around the country, and the highest interest rates for nearly 12 years, at 7.25%, are putting a squeeze on consumer's wallets. Added to this, concerns about inflation are making Australians more worried about the future.

"The Reserve Bank (RBA) acknowledging the distress in the community, again did not raise interest rates at its meeting earlier this week, June 3. [The RBA should be dropping interest rates at its next meeting in July before the Australian economy enters a recession Australians don't need.](#)"

Web: <http://www.roymorgan.com/news/polls/2008/766/>

17. Roy Morgan Consumer Confidence Rating has stopped falling - up 1.3 points to 92.0. Now 48% of Australians expect bad times for the economy in the next year, July 2008

Gary Morgan says:

"While the latest Roy Morgan Consumer Confidence Rating is still low it has stopped falling — up 1.3 points since June.

"People are feeling better about their personal situations but are still negative about the economy. The number of Australians — 48% - expecting bad times for the economy is the highest since September 1993!

"While the Reserve Bank left interest rates on hold this month, it's not enough - they need to be cut."

Web: <http://www.roymorgan.com/news/polls/2008/776/>

18. Roy Morgan Unemployment release, July 8, 2008

Australian Unemployment Edges Lower in June Quarter – Down 0.1% to 5.9%, but Full-time Employment went down by 89,000

Gary Morgan says:

“Unemployment in Australia has dropped slightly during the June Quarter. However with economic conditions continuing to deteriorate the worrying sign is the decrease in full-time work.

“The increase in part-time employment may represent increased flexibility — but it also indicates an increasingly fragile ‘Labour Market’. This is especially worrying given increased financial pressure on families due to interest rates, petrol prices and flow on costs.

“The Reserve Bank has finally halted its ‘campaign’ of interest rate increases. After 12 consecutive interest rate rises over the last 6 years interest rates have risen from 4.25% to their present 12 year high of 7.25%.

“The situation will be exacerbated if Union calls for wage increases to compensate for increased food and petrol prices succeed.”

Web: <http://www.roymorgan.com/news/polls/2008/4306/>

19. Roy Morgan Consumer Confidence Rating drops to 90.1 - the lowest since December 1991, August 2008

Gary Morgan says:

“The RBA needs to drop interest rates now before Australia has the recession we don’t need to have — it is clear interest rates should not have been increased so much. Why?”

- 1. Roy Morgan Consumer Confidence is the lowest since Australia’s last recession — “which Australia had to have!”, and
- 2. Unemployment is higher than everyone thinks - [Roy Morgan unemployment](#) estimate is significantly higher than the [ABS estimate](#) — high interest rates don’t help employment — the fantasy of full employment was explained in Michele Levine’s March 14, 2008 address to the National Press Club “[Almost 1.5 million Australians looking for work or looking to do more work.](#)”

Web: <http://www.roymorgan.com/news/polls/2008/4312/>

20. As Australians anticipate interest rate cut Roy Morgan Consumer Confidence Rating up 9.2 to 99.3, September 5, 2008

The latest Roy Morgan Consumer Confidence Rating is 99.3 up 9.2 points from the 17-year low of 90.1 reached in early August. However, the Consumer Confidence Rating is still 18.9 points lower than September 2007. (Interviewing for the Roy Morgan Consumer Confidence Rating was completed on the weekend of August 30/31, immediately prior to the Reserve Bank of Australia meeting on Tuesday September 2, 2008.)

The large rise in the Roy Morgan Consumer Confidence Rating came as Australians anticipated a rate cut by the Reserve Bank on Tuesday September 2. The rise in the Roy Morgan Consumer Confidence Rating was mainly driven by Australians feeling more positive about the Australian economy in the future.

Gary Morgan says:

“The Roy Morgan Consumer Confidence Rating has rebounded strongly off its 17 year low, rising 9.2 points to 99.3. The rebound is a result of Australians anticipating the Reserve Bank would finally end its rigid high interest rates policy and start listening to what the community has been saying.

“I have consistently said that the Reserve Bank must cut interest rates — which are at 12-year highs — the Reserve Bank must understand that [real unemployment in Australia](#) (as measured by Roy Morgan) is much higher than the [official ABS figures](#) suggest. (The “Fantasy of full employment” was explained in Michele Levine’s March 14, 2008 address to the National Press Club “[Almost 1.5 million Australians looking for work or looking to do more work.](#)”)

“The Reserve Bank must quickly cut interest rates further if they want to avoid putting more Australians out of work and plunging Australia into a recession we don’t need.”

Full Details: <http://www.roymorgan.com/news/polls/2008/793/>