

Reuters Poll Trend

Aug 15

Australian Prime Minister John Howard is slowly clawing back support in the lead up to national elections, although his conservative government still trails the Labor Party Opposition, the latest Reuters Poll Trend has found.

After 11 years in office, Howard's government trails Labor by 9.8 points in August on a two-party basis, where minority votes are distributed to the two main parties to decide an election.

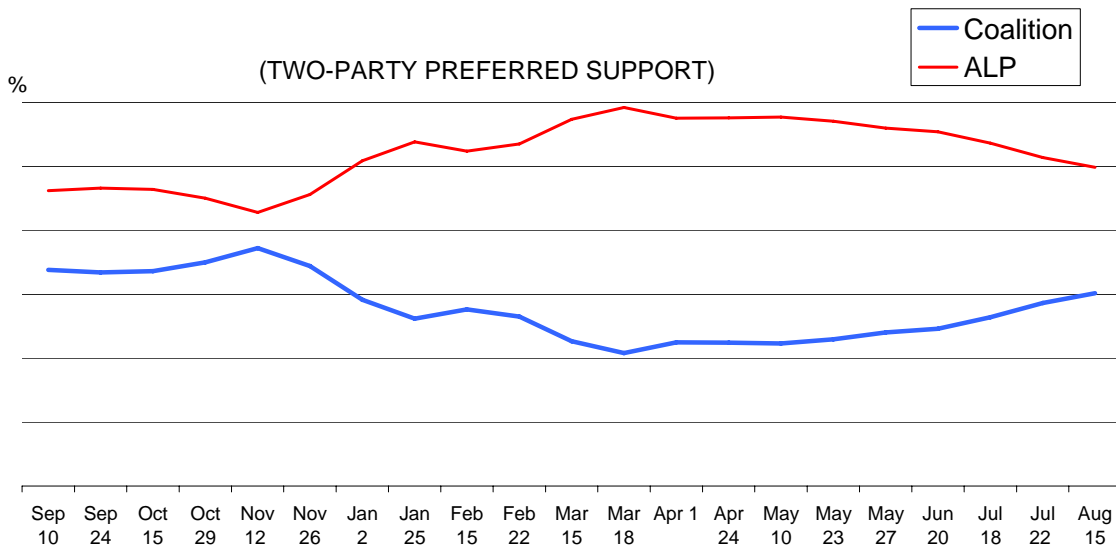
Liberal/National Party coalition government support was 45.1 percent compared to 54.9 percent for Labor.

The government has slowly reduced Labor's poll lead since mid-March, when the government trailed by 19.2 points. August's result is the first time the government has reduced the gap to less than 10 points since Labor elected Kevin Rudd as leader in December 2006.

The results came after Australia's central bank increased interest rates in early August to a decade high of 6.5 percent, and before new reports of leadership tension between Howard and his Treasurer Peter Costello.

The government believes its economic management will help it win the coming election, and Howard told a meeting of government lawmakers on Tuesday that the poll margins would narrow once voters focused on the economy.

Howard has won four consecutive elections since 1996. He can call the election at any time now until the end of the year, but is widely expected to wait until October or November. Labor needs to win 16 more seats to win power.



LATEST RESULTS, IN PERCENT:

	Date	Primary			Two-party preferred			Preferred PM		
		Lib-Nat	Labor	Gap	Lib-Nat	Labor	Gap	Howard	**Rudd	Gap
Poll Trend	Aug 15	40.4	46.9	-6.6	45.1	54.9	-9.8	40.2	46.4	-6.2
3 Poll Avg	Aug 15	40.2	47.0	-6.8	44.8	55.2	-10.3	40.5	46.0	-5.5
Newspoll	Aug 5	39.0	48.0	-9.0	44.0	56.0	-12.0	39.0	44.0	-5.0
Morgan	Jul 29	40.5	47.0	-6.5	45.5	54.5	-9.0			
ACNielsen	Aug 11	41.0	46.0	-5.0	45.0	55.0	-10.0	42.0	48.0	-6.0
Election	Oct 2004	44.1	34.0	10.1	52.7	47.3	5.4			

(Discrepancies due to rounding)

**Kevin Rudd elected Labor leader on Dec 4, replacing Kim Beazley

LATEST BETTING ODDS, FOR A \$1 BET:

	Lib-Nat	Labor
Centrebet	\$2.60	\$1.50
Sportsbet	\$2.45	\$1.55

TOTAL WAGERED:

Lib-Nat	Labor
\$410,000	\$520,000
\$156,000	\$88,000

LARGEST BETS:

Lib-Nat	Labor
\$50,000	\$35,000
\$100,000	\$30,000

The Reuters Poll Trend is not a poll; it is an analysis of the polls. Its object is to summarise the polls by compiling them and removing their volatility.

It starts by rolling the published data from the major polls into a fortnightly three-poll average, weighting them equally and the smoothing volatility by using a five-term Henderson moving average. The Henderson process dampens short-term up-and-down movement but aims to leave untouched the underlying drift in the data.

Although we think the Reuters Poll Trend is a valuable analytical tool, and we are very pleased to see it referred to in the media, we urge you to give credit to those who actually survey thousands of people: Morgan, Newspoll and AC Nielsen. Also, please refer to this as the Reuters Poll Trend, not the Reuters Poll. We haven't surveyed anyone.

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