

COMMUNITY PULSE

2018



the
economic
disconnect



Community pulse 2018: the economic disconnect

About this publication

Community pulse 2018: the economic disconnect

© CEDA 2018

ISSN: 2209-3664 (print)

ISSN: 2209-3915 (Online)

CEDA's objective in publishing this collection is to encourage constructive debate and discussion on matters of national economic importance. Persons who rely upon the material published do so at their own risk.

Design Robyn Zwar Design

Photography

Cover: Top row, middle left and bottom row: iStock

Middle centre: Steve Design/Shutterstock.com

Middle right: Greyboots40/Shutterstock.com

Page 13: iStock

Page 21: Steve Design/Shutterstock.com

Page 38: iStock

About CEDA

CEDA – the Committee for Economic Development of Australia – is a national, independent, member-based organisation providing thought leadership and policy perspectives on the economic and social issues affecting Australia.

We achieve this through a rigorous and evidence-based research agenda, and forums and events that deliver lively debate and critical perspectives.

CEDA's membership includes more than 750 of Australia's leading businesses and organisations, and leaders from a wide cross-section of industries and academia. It allows us to reach major decision makers across the private and public sectors.

CEDA is an independent not-for-profit organisation, founded in 1960 by leading Australian economist Sir Douglas Copland. Our funding comes from membership fees, events and sponsorship.

CEDA – the Committee for Economic Development of Australia

Level 13, 440 Collins Street

Melbourne 3000 Australia

Telephone: +61 3 9662 3544

Fax: +61 3 9663 7271

Email: info@ceda.com.au

Web: ceda.com.au



Contents

Foreword	4	
Report at a glance	6	
Introduction	8	
Melinda Cilento, Chief Executive, CEDA		
	Section 1 Attitudes to economic growth and development	13
	Section 2 The issues that matter to Australians	21
	Section 3 Australians' attitudes to work	39
Methodology	47	
Appendix: Sample characteristics	51	
Acknowledgements	56	

Foreword



The first step to Australia regaining momentum for broad-based economic reform is better understanding what the community really cares about.

This report summarises the outcomes of nation-wide polling exploring Australians' attitudes to work, education, health, community and the economy.

CEDA has undertaken this work because this year we are repositioning CEDA's research agenda and reaffirming our purpose as the Committee for Economic Development of Australia.

This requires a careful consideration of what economic development means for Australia today. Our report is a crucial step in providing the foundation to tackle these issues with new approaches.

Recent election results around the world have demonstrated the importance of economic and political agendas that connect with the aspirations and interests of the wider community.

Australia is no different.

After 26 years of uninterrupted economic growth, this report examines:

- how satisfied Australians are with their current circumstances;
- who they think has gained from this growth; and
- what the most important issues are for them personally and for Australia.

The results show there is a disconnect between Australia's strong economic track record and the community's sense of having shared in this growth. And, a disconnect between the clear policy priorities of the community and the policies which have so dominated public policy debate recently.

Australia's future prosperity and continued high living standards rests on the strength of business and a strong economy.

For governments to have the political capital to implement the policy settings to support a vibrant and competitive business sector the community must trust that the benefits of growth will be broadly shared; that individuals themselves have opportunities to benefit from future growth; and that their aspirations for the way they and other Australians live will be supported by economic growth.

CEDA's report shows clearly that there is more work that needs to be done in this space and I hope the insights from this research help in tackling economic disconnect.



Melinda Cilento
Chief Executive
CEDA

Report at a glance

Who has gained from 26 years of uninterrupted economic growth?

5% of people believe they have personally gained a lot.

31% of people are finding it difficult to live on their current income.

74% of people believe large corporations have gained a lot.

79% of people believe the gap between the richest and poorest Australians is not acceptable.

Top five personal issues for the kind of Australia you want to live in...

1. Reliable, low cost basic **health** services.
2. Reliable, low cost **essential services**.
3. Access to stable and affordable **housing**.
4. Affordable, high quality **chronic disease** services.
5. **Reduced violence** in homes and communities.

Top five critical paths for Australia as a nation...

1. High quality and accessible **public hospitals**.
2. Strong regulation to limit **foreign ownership** of Australian land/assets.
3. High quality and choice of **aged care** services.
4. Increased **pension** payments.
5. Tough **criminal laws** and criminal sentences.

In the workplace...

71% of people would welcome new technology that helped to do their job.

12% of people are concerned that new technology would replace them.

68% of people identify conditions in the workplace as very important when looking for a job.

People in the most **insecure** forms of work have the lowest levels of job satisfaction.

About the survey

The Committee for Economic Development of Australia (CEDA) commissioned an online survey to better understand the community's views on the most important economic and social issues for Australia. The survey was conducted by Polity Research & Consulting between 29 March and 12 April 2018. A general community sample (n=2991) was drawn from a professional market and social research panel, and was sampled and weighted to be representative of the Australian population by age, gender and residential location. Further detail is provided in the methodology section and appendix.

Introduction

Melinda Cilento CEDA Chief Executive

Australia is rightly proud of its strong economic track record. Economic growth has been sustained for decades against the backdrop of significant global economic turmoil and challenges. Growth was sustained through the Asian Financial Crisis, the tech boom and bust of the early 2000s to the more recent Great Recession or Global Financial Crisis. As noted in the 2018–19 Federal Budget Overview:

“A generation of Australians has grown up without ever having known a recession with the nation now in its 26th consecutive year of economic growth.”

Many countries and governments envy this economic record and how it has been achieved. For while Australia’s record breaking run of growth owes something to good luck, in the form of a once-in-a-generation resources boom, it has been secured largely by good economic management and policy.

For followers of economic policy debate in Australia, this narrative will be familiar. But what is becoming increasingly clear is that many in our community feel disconnected from this narrative and from the benefits and opportunities delivered by Australia’s economic performance.

There are important reasons for this. In many ways, community discontent and disconnect reflects economic outcomes beneath the headline figures regularly quoted in the public arena. While the economy overall has grown at an annual average rate of around 2.5 per cent over the past five years, real GDP per capita has grown by 0.9 per cent per year. Disposable incomes per capita – that is, what people have to spend – have barely risen at all.

Productivity, a word that has come to be viewed negatively by so many, is actually what underpins Australia's ability to deliver sustained increases in incomes. Labour productivity growth has averaged 1.2 per cent over the last decade. This would need to double for Australians to enjoy the kind of sustained long-term income increases to which they have become accustomed.

These rather dry economic facts provide important context for considering the community's attitudes on economic performance and delivering economic policy that meets community expectations and aspirations.

Australians today are worried about getting and keeping a job. And, as CEDA's survey results show, many care more about this than wage increases.

Australians are concerned about paying their mortgages (if they are lucky enough to own a home) with interest payments now representing more than seven per cent of disposable income.

And sluggish wages have left many unhappy with how the benefits of our run of growth have been distributed.

In other words, Australians are concerned about how 26 years of sustained economic growth has translated to the issues that matter to them.

Not surprisingly, many Australians are disconnected from economic reform agendas justified simply on the need to sustain strong growth.

The growth = prosperity message is simply not cutting through.

For organisations like CEDA, that see future prosperity and a stronger society built on the foundations of economic growth and development and enabling policies, this is deeply concerning. We need to better understand the sources of disconnect and better link policy changes, reform agendas and the benefits of economic growth to community aspirations.

CEDA has commissioned its first nation-wide poll of nearly 3000 people to better understand their views on these important issues. The poll sought people's views on:

- how they and others have benefitted from Australia's record run of growth;
- their policy priorities – reflecting on their own aspirations and those for the future of the nation; and
- how they are faring in their jobs.

Some of the results may not surprise. CEDA believes, however it is better to ask people for their views directly, rather than making assumptions about them. CEDA intends to undertake a survey of this nature regularly to explore how community expectations and priorities are shifting, and how well reforms are translating into prosperity more broadly.

What has growth delivered

This first survey sends important and clear messages. No matter how impressive we feel our track record of growth has been, very few people feel that they personally have gained much. More people feel that they have *not* gained at all, than gained a little. Those in full-time permanent employment, not surprisingly, are more likely to feel like they have gained (a little or a lot), but half of people aged 50 and over feel they have not gained at all. Those who are renting feel likewise.

Most Australians feel that the big winners from our 26 years of economic growth have been large corporations, senior executives, foreign shareholders, white collar workers and Australian shareholders.

There are at least two important take outs from these results. Firstly, current experience and perceptions matter greatly. We should not lose sight of the fact that one in three survey respondents reported finding it difficult to live on their current income. To this group, the fact that Australia now owns the record for sustained economic growth doesn't resonate.

If only five per cent of people believe they have gained a lot from our record performance to date, arguing a strong economy benefits all isn't likely to carry much sway. Those advocating for reform need to genuinely engage a wider audience, to understand what their expectations and aspirations are, and show how proposed policies and reforms align with those expectations and aspirations.

“Most Australians feel the big winners from our 26 years of economic growth have been large corporations, senior executives, foreign shareholders, white collar workers and Australian shareholders.”

Secondly, maintaining the competitiveness of business – big and small – is fundamental to future economic opportunities. We know that business investment plays a critical role in supporting improved productivity and in turn higher incomes. Businesses also contribute to Federal Budget finances, and therefore to the provision of government services, through taxes on profits and wages. However, this is clearly not connecting to the aspirations of the community, even where the link is direct – for

instance through shareholder returns to superannuation. More needs to be done to reduce this disconnect.

Equally however, businesses need to better connect their actions and activities to the aspirations and expectations of the wider community. Greater transparency in terms of the taxes business paid is an example of demonstrating a responsiveness to community concerns. In other words, business matters to the community, but community must also genuinely matter to business. Rio Tinto Chief Executive Officer, JS Jacques in his CEDA Copland Lecture earlier this year observed that “what matters now is business-to-people, B2P.”

The Committee for Economic Development in the United States in its 2017 publication *Sustaining Capitalism* drew the same strong conclusion noting:

“business leaders must change their own business practices to demonstrate constructive interdependence with society, and ... must make the case for sound public policy making aimed at the future prosperity of all the American people.” [emphasis added]

Community policy priorities

CEDA sees economic development as encompassing a broader range of outcomes than economic growth alone. Health, opportunities for economic and social participation, social cohesion and connectedness, the state of the environment (built and natural), and safety and security across various dimensions (for example physical, financial) and stages of life, are also important elements of economic progress or development.

This survey seeks to gain an understanding of the importance of different dimensions of economic development – as distinct from economic growth – from both a personal and national perspective.

Survey respondents were asked to rank the importance of a range of factors that impact quality of life at a personal level and then rank the importance of factors reflecting the future direction they would like Australia to take.

Their responses clearly show that the focus for most Australians is on the provision of core services that help to keep them healthy, comfortable and safe throughout their lives. And they want government to provide those services. In short, the compact between the community and government as the provider of services fundamental to the quality of life in Australia remains strong.

Against a backdrop of factors driving the cost of provision of these services higher (population ageing, technological advances, higher expectations) a key priority for governments must be innovation in, and greater effectiveness of, service delivery. This is underscored by the fact that lower personal taxes factored among the ‘widely important’ issues for future national direction and priorities.

Lower business taxation, reduced business regulation and support for new business investment, all ranked as ‘widely *unimportant*’ issues for Australia’s future. Given perceptions around the role of business in driving growth and community perceptions about disproportionate benefits to business from growth this is not surprising.

This is a challenging finding in terms of the direction for future economic reform. To lift incomes per capita and opportunities more generally requires new ideas and investment – and it is business that must drive this investment. To quote the Productivity Commission:

“When productivity leaps in Australia, all incomes eventually rise. And particularly where effective redistribution and social support policies are in place. Productivity improvement also offers benefits outside the scope of economic performance measures. People’s average life expectancy at birth has increased by nearly 30 years from Australia’s federation in 1901 – an outcome of innovation and investment in public health, education and research, and the introduction of new technologies to replace outdated (and some quite dangerous) old technologies. Thus productivity is not, as some would have it, about extracting more sweat from the brow of an already hard-working Australian.”

If our regulatory, tax and broader policy settings are not conducive to business investment, the ultimate cost will be borne by the wider community.

For government to have the political capital to implement the right policy settings, the community needs to have trust that the benefits will be shared broadly.

Ultimately for robust economic development, business, government and the broader community need to trust each other.

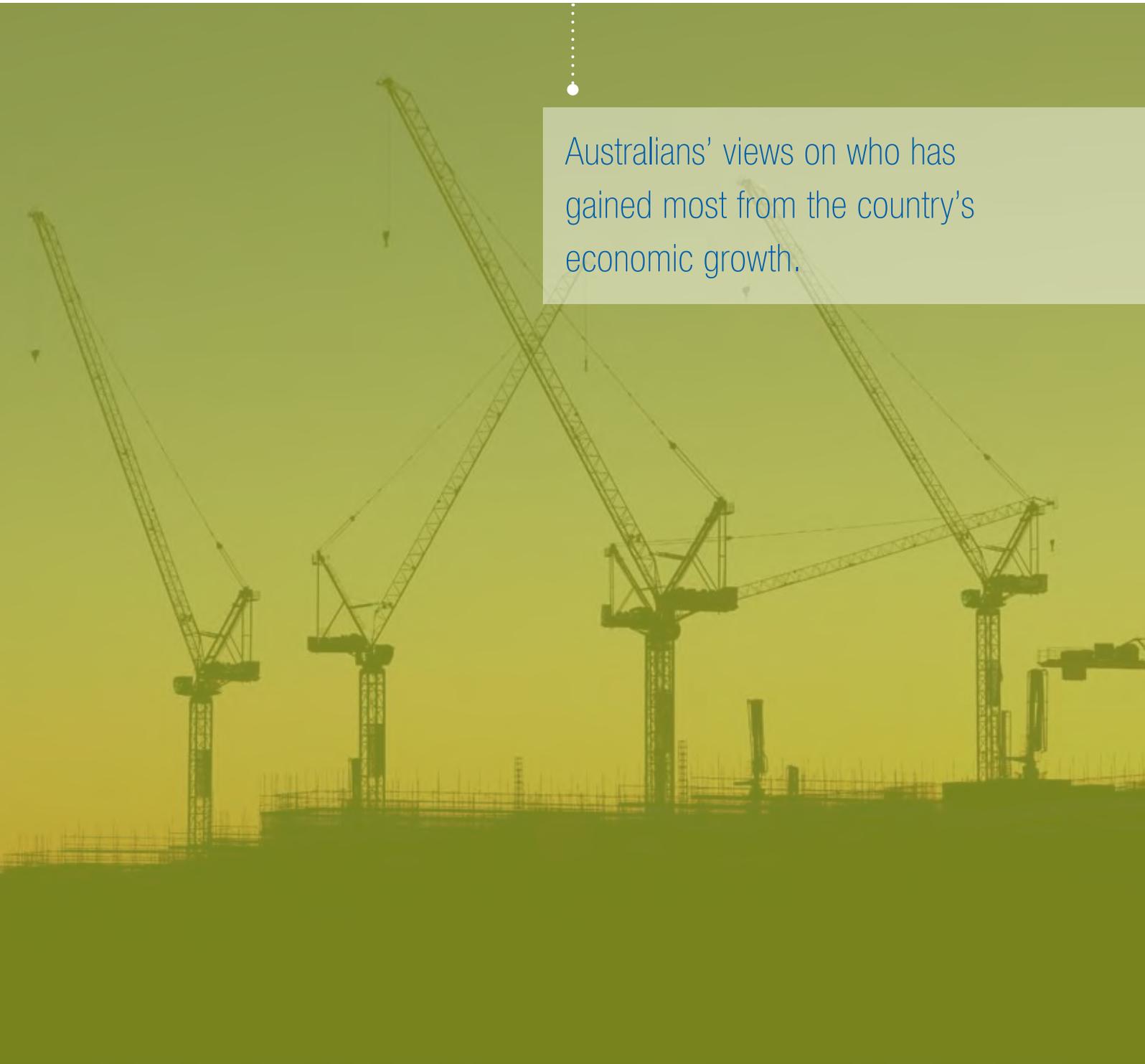
Our prosperity rests on the strength and vibrancy of business. However, this must be underpinned by a strong social compact; between government and the community, business and community, and business and government. A compact that ensures the benefits of this prosperity will deliver the everyday fundamentals, throughout different life stages, for a safe and productive life.

CEDA’s survey results indicate there is a disconnect.

1

Attitudes to **economic** growth and development

Australians' views on who has
gained most from the country's
economic growth.



Who has gained from 26 years of uninterrupted economic growth?

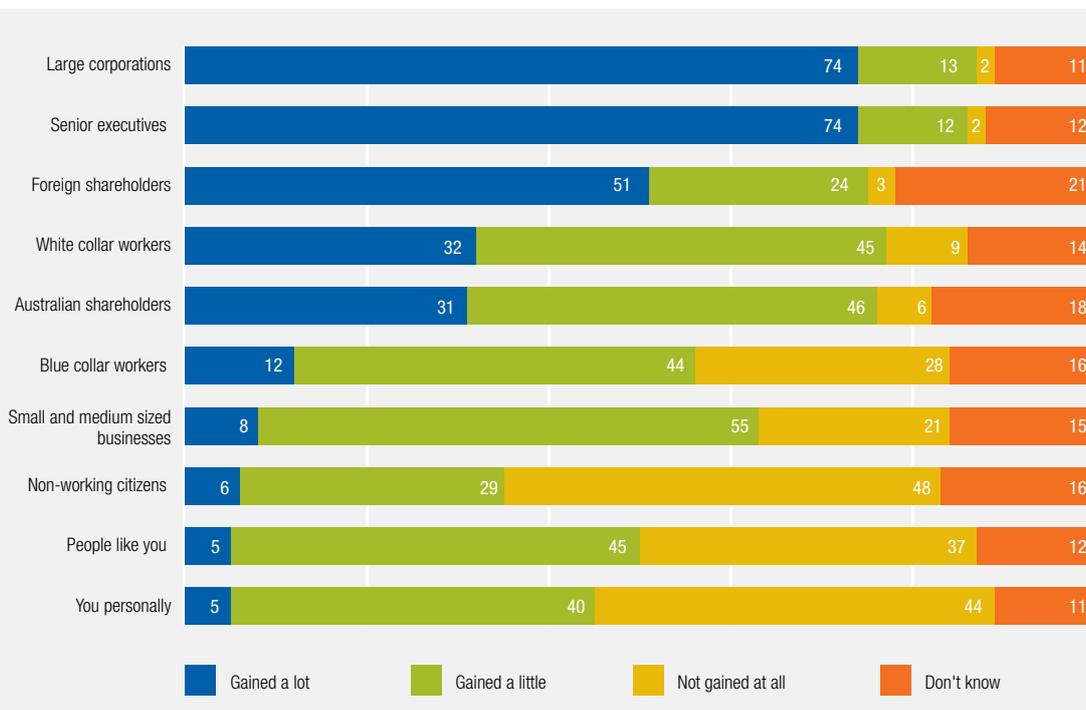
Over the past 26 years Australia's economy has more than doubled in size, disposable incomes have risen by 70 per cent, and unemployment has fallen to and stayed at levels not previously considered sustainable. These are all important indicators of economic progress. Yet when asked who has benefitted from 26 years of sustained growth, survey respondents paint a divided picture, one of contrasting fortunes.

Australians believe that those who have gained most from 26 years of uninterrupted economic growth have been large corporations, senior executives, shareholders and white-collar workers.

Almost three-quarters of people believe that large corporations and senior executives have gained a lot (Figure 1.1). While over 40 per cent of respondents believe that they have not gained personally at all, and just five per cent of respondents felt that they had personally gained a lot.

The results remind us that the community assesses the benefits of sustained economic growth based largely on their current circumstances and whether they feel like they are getting ahead. Those who are in full-time employment, living in a capital city or major regional city and "living comfortably" are more likely to identify themselves as gaining from Australia's strong record of economic growth. Box 1 provides further details.

FIGURE 1.1
WHO HAS GAINED FROM 26 YEARS OF UNINTERRUPTED ECONOMIC GROWTH? (PER CENT)*



*Please note numbers have been rounded and may not equal 100 per cent

BOX 1

Have you gained personally from 26 years of uninterrupted economic growth?

■ Gained a lot
 ■ Gained a little
 ■ Not gained at all
 ■ Don't know

FIGURE 1.2
BY AGE (PER CENT)*

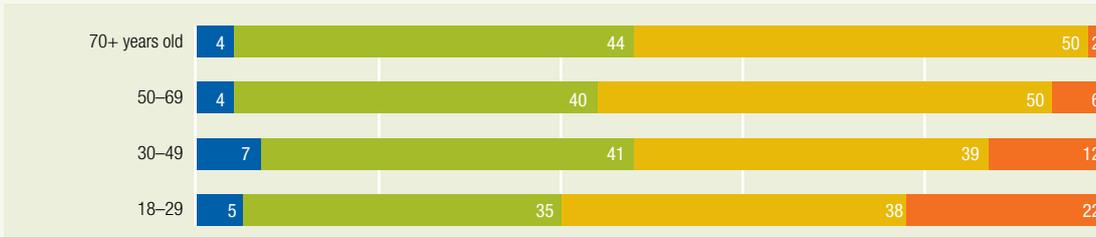


FIGURE 1.3
BY EMPLOYMENT (PER CENT)*



FIGURE 1.4
BY LOCATION (PER CENT)*

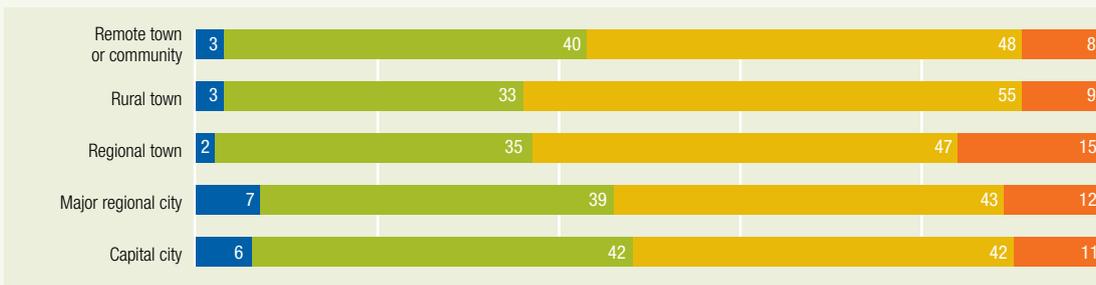
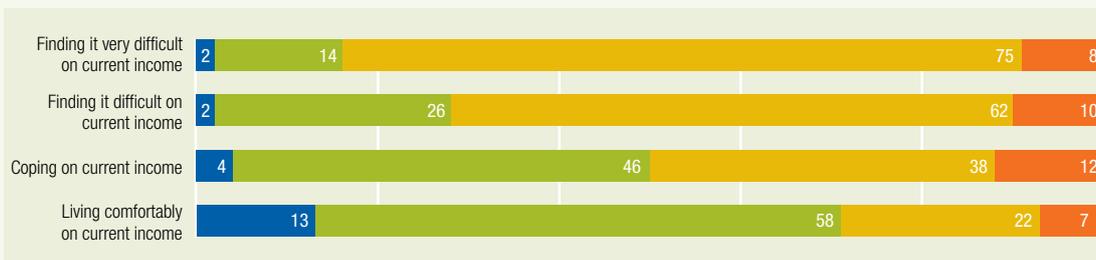


FIGURE 1.5
BY FINANCIAL STATUS (PER CENT)*



*Please note numbers have been rounded and may not equal 100 per cent

But even in these groups, it is only a very small proportion of respondents who believe they have “gained a lot”. For example, only 13 per cent of people living comfortably on their current income and eight per cent of people working full-time felt that they had gained a lot from Australia’s economic growth.

Not surprisingly, those in more insecure work and living in regional and rural towns are less likely to identify themselves as gaining from economic growth. One in two people aged 50 or over feel they have personally gained nothing from the past 26 years of economic growth, despite the fact that the baby boomer generation is seen as having enjoyed significant prosperity.

These responses likely reflect the more modest recent economic performance and the reality that, while growth has been sustained for an extended period, there have been times of weakness and great uncertainty, including recent weakness in wages and incomes. For example, during the last 26 years the average disposable income in Australia has grown around two per cent a year.¹ But in the last 10 years it has grown at half that rate and in the last five years it has effectively stagnated. Growth in Gross Domestic Product (GDP) per capita, which is a better proxy for living standards, has also weakened considerably over the last decade.

When asked to reflect their current financial circumstances, 31 per cent of survey respondents indicated that they were finding it difficult or very difficult on their current incomes, while just 21 per cent indicated they were living comfortably.

It is therefore unsurprising that there is a disconnect between Australia’s enviable global record of the longest run of uninterrupted economic growth at the aggregate level and how Australians reflect on their lived experience.

31%

indicated they were finding it difficult or very difficult on their current incomes.

Sustained headline growth may be an interesting watchpoint for economic record keepers and commentators here and overseas, but it is less meaningful as an indicator of economic development and progress for most Australians. In addition, the fact that Australia has fared much better than other advanced economies after the Global Financial Crisis does not factor into their assessment. Nor does early signs and forecasts of stronger economic growth ahead.

The challenge for business and policy makers is how to connect the wider community to the importance of sustaining economic growth and development on the back of business strength and investment.

There is also a disconnect between how individuals perceive their own circumstances relative to those of others like them and groups to which they belong. Respondents to the survey were likely to see others like them as more likely to have gained from growth than they had personally. Similarly, they were more likely to see Australian shareholders as being far more likely to have benefitted – even though many individual respondents would of course themselves be shareholders through superannuation (see Figure 1.6).

Unlike large businesses, small and medium businesses (SMEs) are not seen to have gained much, with over 20 per cent of survey respondents of the view that

BOX 2

Who has gained from 26 years of uninterrupted economic growth?

■ Gained a lot
 ■ Gained a little
 ■ Not gained at all
 ■ Don't know

FIGURE 1.6
VIEWS FROM RETIREES (PER CENT)*

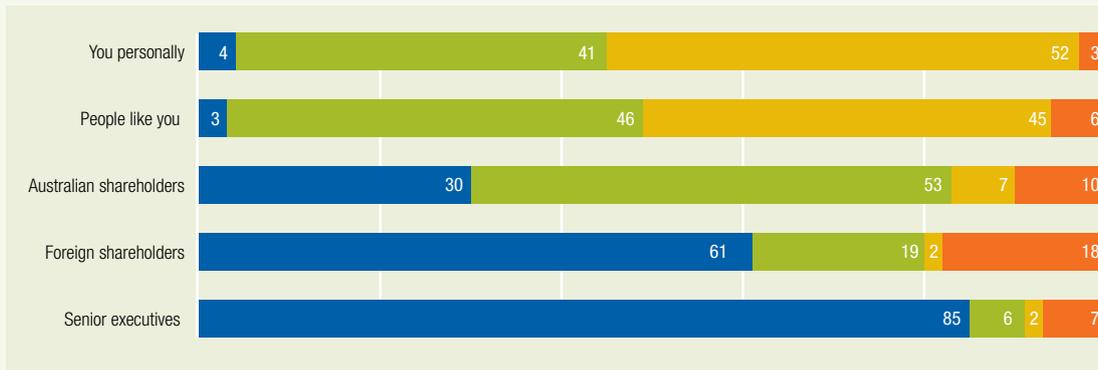
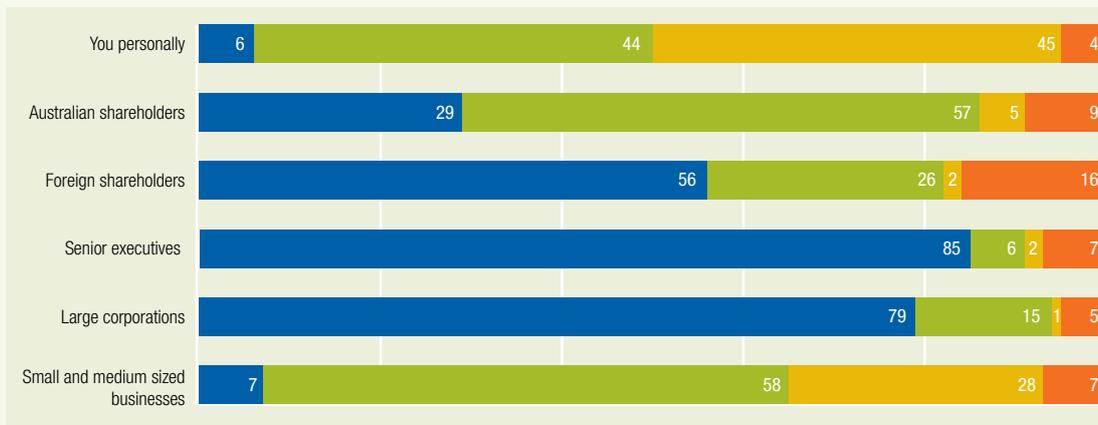


FIGURE 1.7
VIEWS FROM SELF-EMPLOYED (PER CENT)*

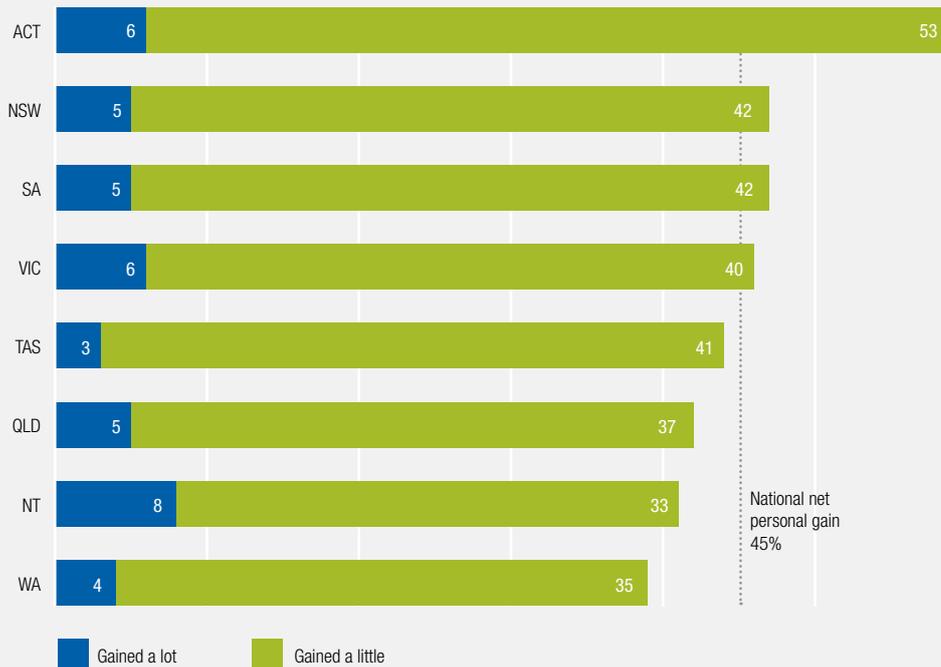


*Please note numbers have been rounded and may not equal 100 per cent

SMEs have not gained at all. Among self-employed people, who are more likely to own these businesses, just seven per cent believed that small and medium sized businesses had gained a lot.

Among the states and territories, residents of the ACT, New South Wales, South Australia and Victoria were the most optimistic about the personal gains that they made (Figure 1.8). Those states most exposed to the resources boom and subsequent downturn had the lowest levels of reported personal gain (which again underscores the primacy of recent experience). CEDA will be progressively releasing state profiles of the survey to provide a picture of attitudes and responses in each state.

FIGURE 1.8
HAVE YOU GAINED PERSONALLY FROM 26 YEARS OF UNINTERRUPTED ECONOMIC GROWTH?



Views on the gap between the rich and poor

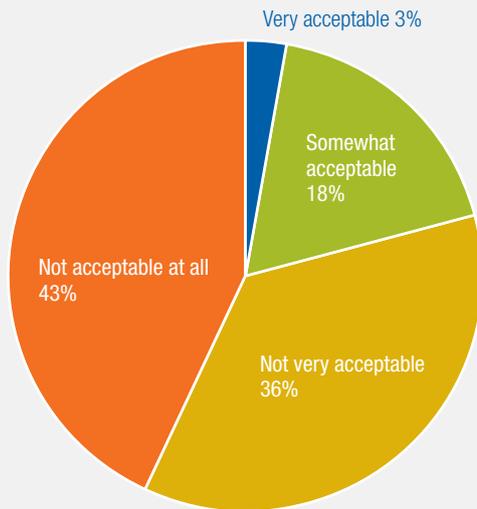
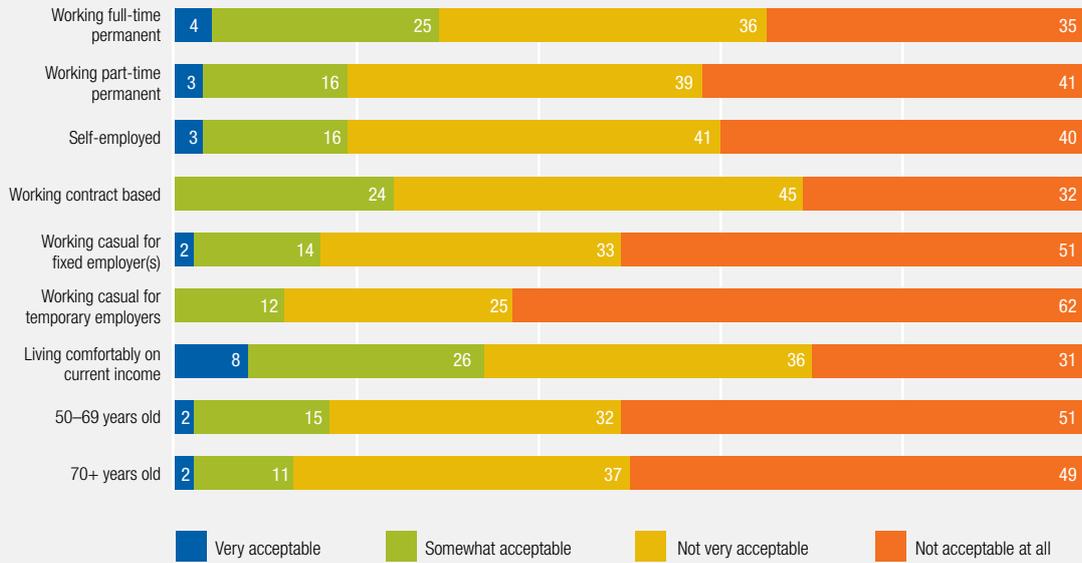
As CEDA's most recent research report *How Unequal? Insights on inequality* noted, there has been a greater focus on inequality in Australia in recent years. This has occurred despite the fact that broad measures of income inequality have not worsened since the Global Financial Crisis. However, some measures of wealth and income disparity at the extremes (for example income share of the top one per cent) are higher than they have been for some decades. CEDA's report also highlighted disparities in the equality of opportunity in education, employment and based on location. For example, a small proportion of postcodes in Australia account for a disproportionately high share of disadvantage as measured by unemployment, disengaged youth, crime, domestic violence and so on.

43%

believe the gap between richest and poorest Australians is not acceptable at all.

The importance that Australians continue to place on a fair go culture is reflected in CEDA's survey results. A significant majority of Australians do not believe that Australia's wealth gap is an acceptable consequence of economic growth with 79 per cent of respondents indicating that it was not very acceptable or not acceptable at all (Figure 1.9). Those currently working in casual positions in the workforce were most likely to believe that it was not acceptable at all.

FIGURE 1.9
IS THE GAP BETWEEN THE RICHEST AND POOREST AUSTRALIANS ACCEPTABLE OR NOT?
 (PER CENT)*



*Please note numbers have been rounded and may not equal 100 per cent

Around one in two people over the age of 50 believe that it is not acceptable at all. People who identify themselves as “living comfortably on current income” are the group most likely to believe that the current wealth gap is acceptable (34 per cent), although even then this view is in the minority.

These results underline the challenge of addressing expectations of a fairer distribution of the proceeds of economic growth without creating disincentives for economic participation and entrepreneurial activity. CEDA’s *How unequal? insights on inequality* report emphasised the importance of targeting a reduction in absolute disadvantage through increased Newstart payments, and ensuring equality of opportunity in education and employment through new approaches such as place-based reforms to address geographic disadvantage.

BOX 3

How to test the relative importance of different issues for the Australian community

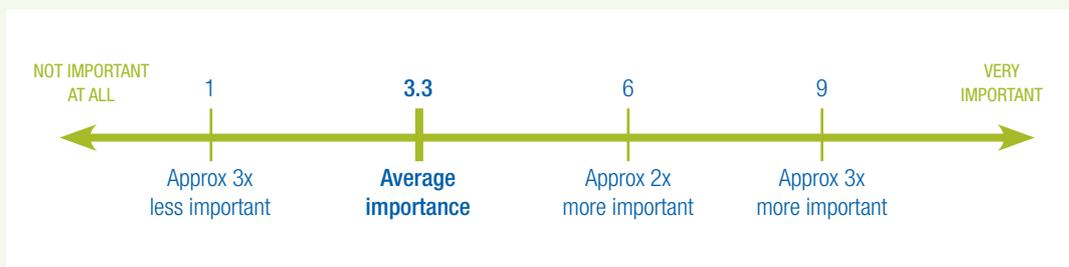
Results and rankings regarding the general public's priorities and expectations for government policy were measured using two distinct survey questions. Each question asked respondents to rank the importance of 30 different items in various combinations. The two questions were:

- Thinking about the kind of Australia you want to live in, which of the following factors are the MOST IMPORTANT and the LEAST IMPORTANT to you personally?
- Thinking about the kind of direction you want Australia to take, which of the following are the MOST CRITICAL and LEAST CRITICAL paths for the nation?

The advantage of this approach is that it provides a more reliable ranking of the relative importance of different issues when people are confronted by the need to make trade-offs across issues of greatest importance to them.

These results are presented in two ways throughout this report:

1. **Response percentage results**, which show the proportions of times each item was shown that it was selected as either most or least important. Rankings of each item are then based on the net percentage of these proportions (i.e Most [%] minus Least [%]).
2. **Average score results** then turn these percentage proportions into a relative importance score for each item, in relation to the other 29 items. For each respondent the total score for each question adds to 100. As there are 30 items for each of the questions, an item of average importance will score 3.3. Any score above this is of "above-average" importance to people, while similarly anything below 3.3 is of lower importance. Any item (or group of items) with a score of 10 is effectively three-times as important as an item (or group of items) of average importance.



Further detail is provided in the Methodology section at the end of the report.

Source: Polity Research & Consulting.

2

The **issues** that matter to Australians

Community attitudes and priorities at a personal and national level.



Introduction

CEDA sees economic development as encompassing a broader range of outcomes than economic growth alone. Health, opportunities for economic and social participation, social cohesion and connectedness, the state of the environment (built and natural), and safety and security across various stages of life, are also important elements of progress or economic development.

Looking through this broader lens, CEDA sought to understand how the community prioritises different dimensions of economic development from a personal perspective and, in turn, how they would like those priorities addressed in national policies. The approach adopted in this survey required respondents to rank options according to most and least important (as described in Box 3). It did not allow respondents to list everything as important.

What do Australians care about most?

Healthcare

Survey results

Across the 23 personal and national issues identified as being of the highest importance, Australians care most about having access to affordable, quality healthcare. This includes basic health services, quality public hospitals, chronic disease services and mental health services.



Australians care most about having access to **affordable, quality healthcare.**

Basic health services had the highest importance score of personal issues (9) and quality public hospitals (8) had the highest importance score for national issues. These relative importance scores were consistent across age, location (urban, regional, remote) and financial status.

The prioritisation of government provision of healthcare was reinforced by the fact that a strong private hospital system was seen as 'widely unimportant'. There are also very mixed views on the importance of affordable, high quality private health insurance.

Policy implications

The challenge for governments is to meet community expectations across the spectrum of healthcare services against the backdrop of fiscal constraints, escalating costs and rising expectations. Greater focus on outcomes and innovation in service delivery are key factors. The survey suggests that private provision is highly contested or unimportant for many in the community. Pursuing greater private sector involvement will require significant efforts to persuade the wider community of the desirability of this approach and its alignment to improved outcomes.

Cost of living and housing affordability

Survey results

Reliable low cost essential services (8) and affordable housing (6) featured among the most important personal issues after health. People also value job security among the most important personal issues (5).

Policy implications

Cost of living is front of mind for many Australians. In the recent IMD World Competitiveness rankings, Australia scored poorly in terms of cost of living, ranking 49 out of 63 countries.² Despite current low inflation, the price of administered services including electricity, gas, child care, health and education climbed by almost five per cent in 2017, more than double the rate of underlying inflation in Australia. The challenge for governments is to provide better incentives for improved efficiency and innovation in service provision and improved regulation of essential services with greater focus on consumer needs.

The importance of affordable housing is a well-known matter of priority. The IMD Competitiveness rankings underscore community concerns – ranking Australia 58 out of 63 in the “apartment rent” category. CEDA’s *Housing Australia* report found that rates of home ownership have dropped considerably for younger Australians in recent decades. It is estimated that Australia needs 20,000 new dwellings each year that are affordable to low-income people.

The survey found renters are among those least likely to see themselves as benefitting from recent economic growth. This is clearly an area of significant frustration for the community. Addressing this frustration will require a cross-sectoral and multifaceted approach across planning regulations, taxation and social infrastructure provision.



Renters are among those least likely to see themselves as benefitting from recent economic growth.

Safety and security

Survey results

Australians want to be safe and secure. They place importance on reducing violence in homes and communities at a personal level (5) and tough criminal laws and sentences at the national level (5).

Policy implications

Current approaches are costly and not producing desired results. In 2016–17, 44.8 per cent of prisoners who were released in 2014–15 returned to prison within two years and 53.4 per cent returned to corrective services (prison or community corrections).³ These rates have increased over the last five years. In 2016–17 total government expenditure for justice services was \$16.1 billion, amounting to \$660 per person in Australia.⁴ Developing more cost-effective approaches with better results will require significant community consultation and engagement given the importance to the community of criminal laws and sentencing.

Caring for an ageing population

Survey results

At a national level, Australians place importance on high quality and choice of aged care services (5) and increased pension payments (5).

Policy implications

A recent PwC report estimates that there will be 3.5 million people aged 70 or older in 2025 (an increase of 50 per cent from 2014) and over five million by 2040.⁵ This could require an additional 226,000 aged care places by 2040 (meaning over 3000 new aged care facilities) with an additional capital spend of just under \$50 billion required.⁶

There will be significant additional demands for aged care workers with workforce shortages predicted in the decades ahead. At the same time, community expectations regarding the quality and responsiveness of care is rising. Collaboration and



Australians consider regulation to limit **foreign ownership** important.

new approaches across all levels of government, business and the community sector will be required to deliver outcomes in line with community expectations and value for money.

Foreign ownership

Survey results

Reflecting community concerns about the foreign ownership of Commonwealth land and assets, Australians consider regulation to limit foreign ownership important (6). This result may reflect a community perception, as outlined previously, that foreign ownership is an impediment to realising greater personal gains from economic development.

Policy implications

There is over \$3 trillion of foreign investment in Australia. We have the 14th highest amount of foreign direct inward investment in the world.⁷ Foreign investment plays an important role in supporting our economic growth by funding the gap between domestic savings and investment.

The survey results underline the continuing importance of Australia's rigorous foreign investment regime providing certainty and flexibility to investors, while maintaining public confidence. There is also a need to ensure that the public are well informed in debates about foreign investment. For example, just over 13 per cent of agricultural land is foreign-owned and this has not changed markedly in the last decade.⁸

In aggregate, these results confirm that the community continues to place considerable priority on Australia's social compact. That is there is clearly a high level of importance placed on a number of basic services provided by government across a spectrum of needs – basic health, chronic disease, mental health, aged care and education.

TABLE 1
ISSUES OF GREATEST IMPORTANCE TO THE COMMUNITY

Widely important personal issues	Relative importance score	Widely important national issues	Relative importance score*
Reliable, low cost basic health services	9	High quality and accessible public hospitals	8
Reliable, low cost essential services	8	Strong regulation to limit foreign ownership of Australian land/assets	6
Access to stable and affordable housing	6	High quality and choice of aged care services	5
Affordable, high quality chronic disease services	6	Increased pension payments	5
Reduced violence in homes and communities	5	Tough criminal laws and criminal sentences	5
Job security	5	Strong protection for national parks, oceans, wildlife etc	4
Affordable, high quality mental health services	5	High quality and accessible public schools	4
Clear employment opportunities for young adults finishing school/TAFE	4	Protection of workers' rights	4
Strong government support for regional development	4	Strong government support for renewable energy	4
Work/life balance	4	Low cost access to university/TAFE	4
		Lower personal taxes	4
		Strong security to combat terrorism	4
		Strong links between education and the workplace	4

* Relative importance score scale: 3.3 = average importance; six = 2X more important; nine = 3X more important. See Box 3 on page 20 for full explanation.

These responses may reflect limitations on the capacity for self-provision at a time of cost pressures and where one-third of survey respondents see themselves struggling financially. But even those who see themselves as comfortably off prioritise the importance of these basic services and government provision of them.

One interpretation of these survey results is a prevailing attitude that, as a prosperous advanced economy, the nation can afford and should provide these services. Another interpretation might be that with the cost of health care borne by individuals having doubled in the last decade to over \$29 billion, the community appetite for even greater self-reliance is waning.⁹

Conversely, there is little importance placed on issues that go to the heart of sustained business competitiveness, (business regulation and corporate taxation). This is despite the important economic contribution that business makes through jobs, wages and corporate tax that provide revenue to fund government services.

There is further work to do to draw stronger connections between economic activity, Australians' material wellbeing and governments' capacity to fund the services the community values.

Full results

Figures 2.1 and 2.2 provide the full results across the 30 personal and national issues. These results are presented as the proportion of respondents that marked an issue as most important and least important, as well as the net result when these two proportions are combined. This provides three clear groups of issues:

- (1) **Widely important**, where far more people rate these issues as most important rather than least important. These issues are those already outlined above.
- (2) **Indifferent/contested**, where there is a very low number of people ranking an issue at all, or where there are reasonable numbers of people ranking an issue as most important and a reasonable number of people also ranking it as least important.
- (3) **Widely unimportant**, where the number of people ranking an issue as least important significantly outweighs the number ranking it as most important.



There is little importance placed on issues that go to the heart of sustained **business competitiveness**.

While the above discussion has focused on the extremes, that is where attitudes clearly coalesce at the most and least important end of the scale, some of those 'in the middle' are also worth reflecting on. There are a number of issues that attracted high response rates, but around which attitudes are contested, that remain very much a part of current economic

and policy debates, for example: minimum wages, lower taxation of superannuation, immigration, penalty rates and regulation of foreign workers. These issues will remain heavily contested in the policy and political debate.

The next sections provide more in-depth analysis of these personal and national issues.

FIGURE 2.1
 THINKING ABOUT THE KIND OF AUSTRALIA YOU WANT TO LIVE IN, WHICH OF THE FOLLOWING FACTORS ARE THE MOST IMPORTANT AND THE LEAST IMPORTANT TO YOU PERSONALLY?

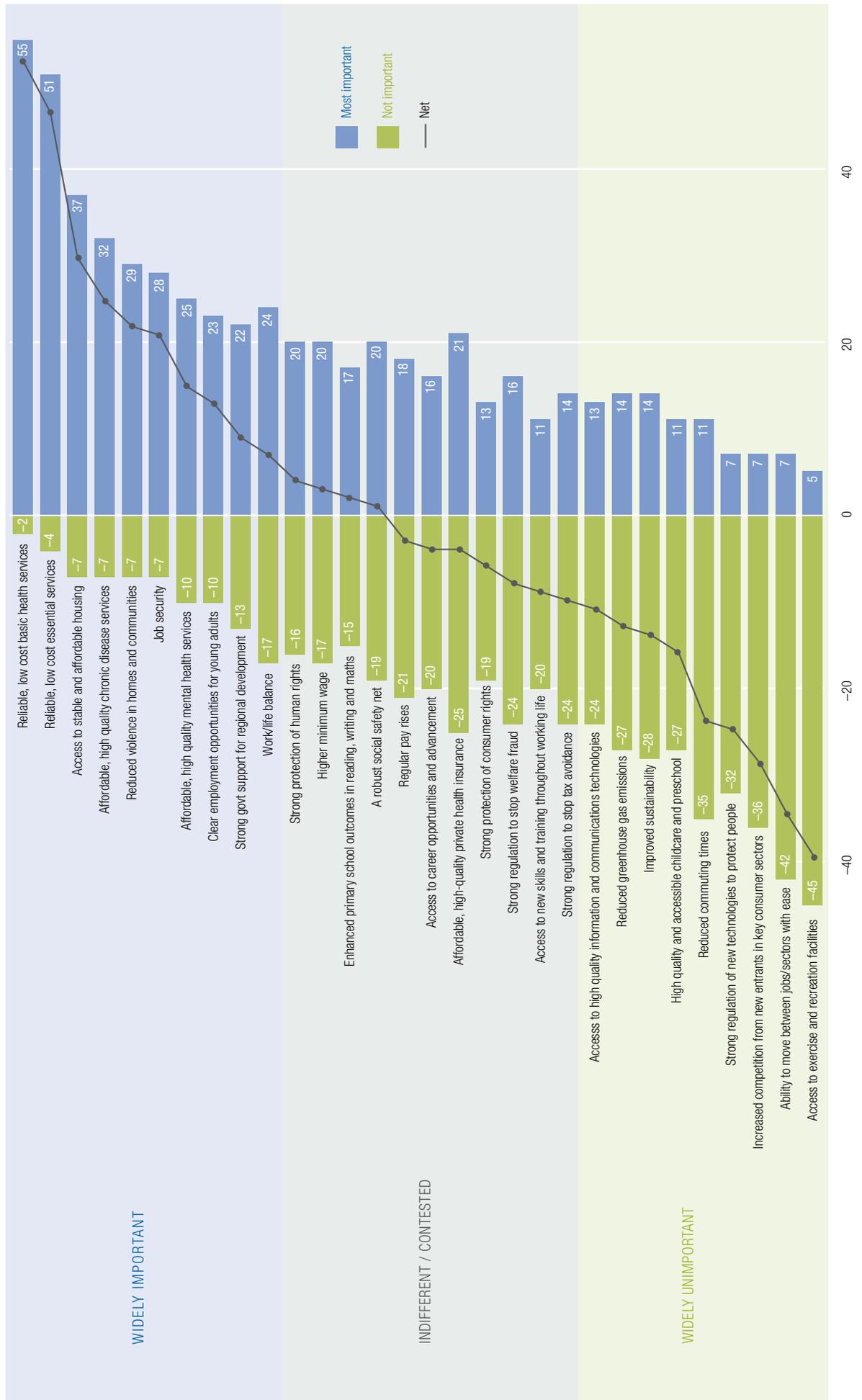
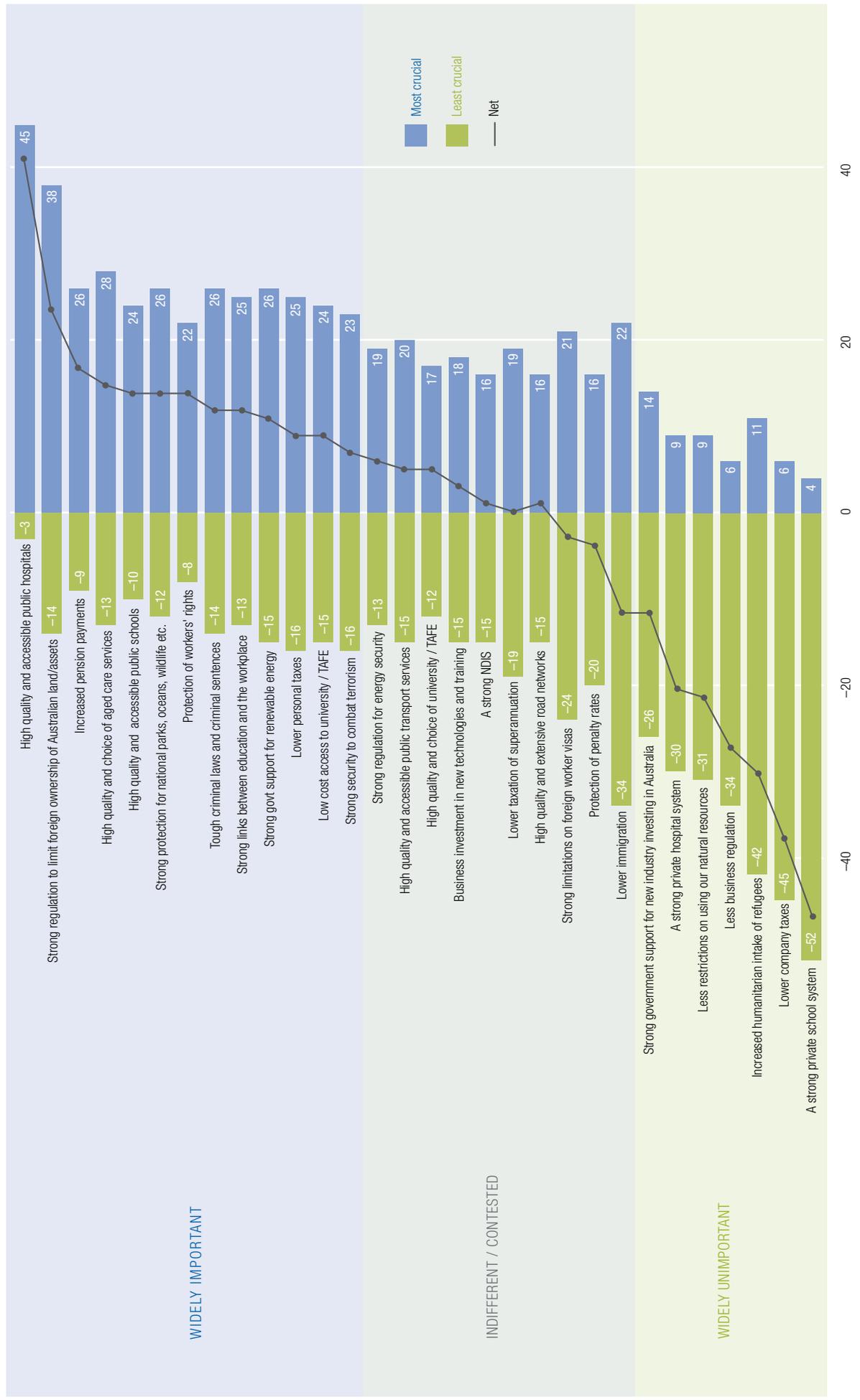


FIGURE 2.2
 THINKING ABOUT THE KIND OF DIRECTION YOU WANT AUSTRALIA TO TAKE, WHICH OF THE FOLLOWING ARE MOST CRITICAL AND LEAST CRITICAL PATHS FOR THE NATION?



Analysis of personal issues

In analysing the relative importance of different personal issues, the issues and associated scores have been combined into the following five categories:

1. Health/lifestyle
2. Strong community
3. Employment
4. Education and skills
5. Strong/ethical economy

Figure 2.3 outlines the combined relative importance scores for six issues under each of five categories. The combined scores add up to 100.

1. Health/lifestyle

Consistent with the most important issues reported previously, this group of issues is clearly the most important. Despite the overriding importance of health in the results, affordable private health insurance (3) and access to exercise and recreation facilities (1) are not considered important.

2. Strong community

In addition to affordable housing and reduced violence, Australians also place above average importance on strong government support for regional development (4).

The importance of this issue is likely to be a reflection of the fact that around eight million Australians live outside capital cities¹⁰ and there is a long history of governments placing a policy focus on supporting regional communities.

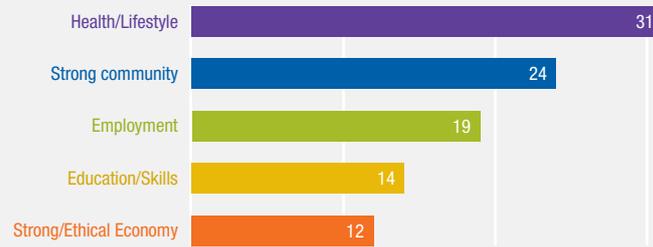
Recent research from the Reserve Bank of Australia¹¹ shows that economic variation between cities and regions has reduced over time. Despite this there remain pockets of concentrated regional disadvantage as observed in CEDA's *How Unequal? Insights on inequality*. There are also regional areas that have challenging labour market conditions – for example, high rates of youth unemployment exist in outback Queensland.

In contrast to the importance placed on regional development, Australians appear to place relatively less importance on the protection of consumer rights (2) and human rights (3).

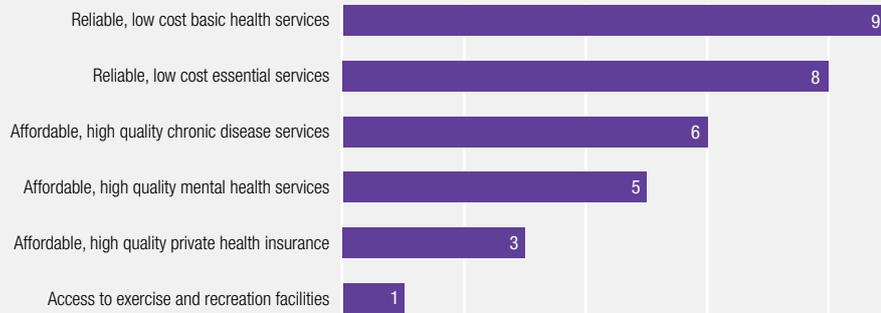
3. Employment

Job security (5) and work/life balance (4) are the issues of greatest relative importance under the employment category. Higher minimum wages, regular pay rises, access to career opportunities and job mobility are all considered less important.

FIGURE 2.3
RELATIVE IMPORTANCE OF PERSONAL ISSUES BY CATEGORY
(COMBINED AND INDIVIDUAL SCORES)



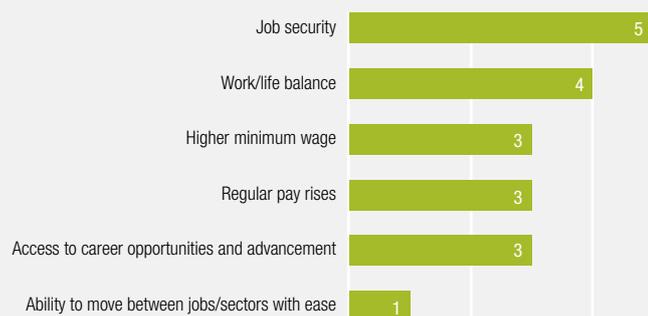
HEALTH/LIFESTYLE



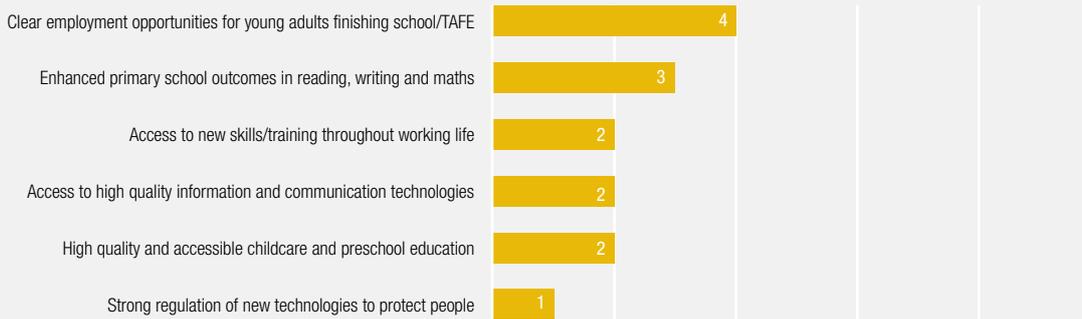
STRONG COMMUNITY



EMPLOYMENT



EDUCATION/SKILLS



STRONG/ETHICAL ECONOMY



In an environment of low wage growth, it may be surprising that the community did not rank issues around the minimum wage and pay rises as being more important. This may reflect that these issues are contested or the absolute first priority of job security under the employment category. It is also worth noting that of the 12.5 million people employed in Australia, around 2.3 million are directly affected by minimum wage decisions.¹²

4. Education and skills

The relatively low importance placed on education and skills indicates a potential area of community complacency. Apart from clear employment opportunities for young adults (4), no issues are ranked as above average importance.

Enhanced primary school outcomes (3) are not ascribed greater importance, despite Australia's recent poor performance and substantial educational disparities in the National Assessment Program – Literacy and Numeracy (NAPLAN).

Recent research by CEDA and others has outlined the probability of automation and computerisation of a large proportion of today's work. Nonetheless, the community does not consider that access to new skills throughout one's working life (2) and access to high quality information and communications technology (2) are below average importance. At the same time, people place even lower importance on the need for regulation to protect people from technology (1). These issues are considered in section three on Australians' attitudes to work.

BOX 4

Personal issues of increased importance by age

FIGURE 2.4
PERSONAL ISSUES OF INCREASED IMPORTANCE FOR 18–29-YEAR-OLDS

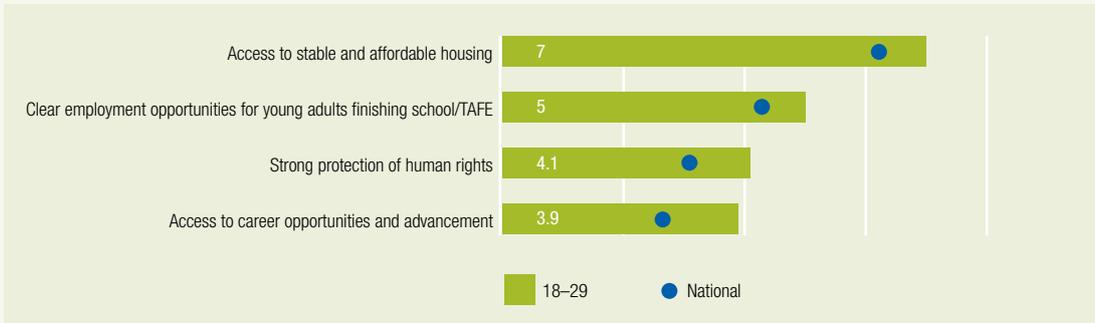


FIGURE 2.5
PERSONAL ISSUES OF INCREASED IMPORTANCE FOR 30–49-YEAR-OLDS



FIGURE 2.6
PERSONAL ISSUES OF INCREASED IMPORTANCE FOR 50–69-YEAR-OLDS

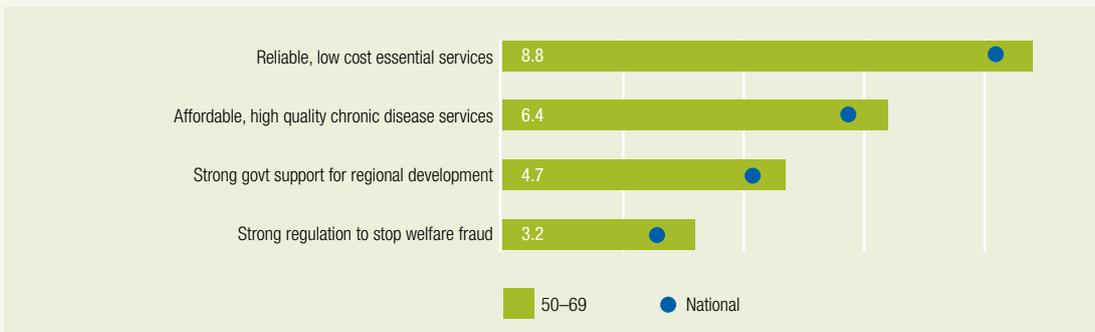
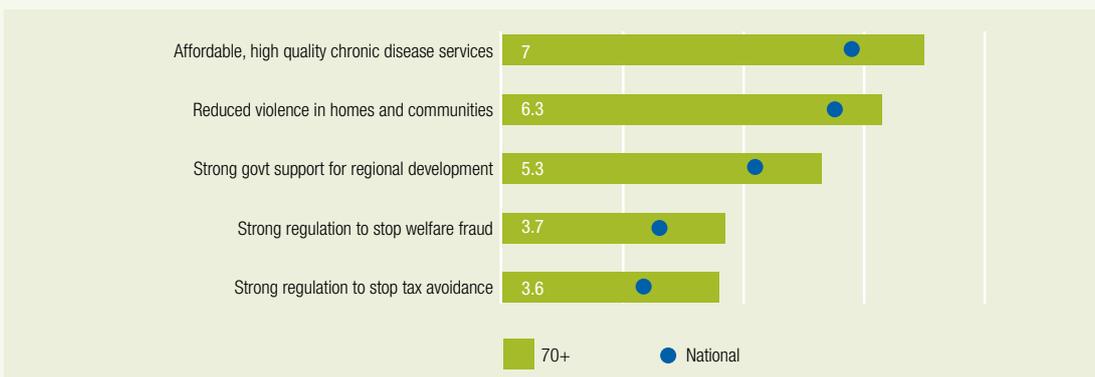


FIGURE 2.7
PERSONAL ISSUES OF INCREASED IMPORTANCE FOR 70+ YEAR-OLDS



5. Strong/ethical economy

All issues listed under this category are of below average importance. Australians place stopping welfare fraud (3), regulation to stop tax avoidance (2) and reduced commuting times (1) well below average importance. It is possible that a recent focus by governments on addressing these issues has reduced the community's concern about them. The community also ranks issues concerning the environment including improved sustainability (2) and reduced greenhouse gas emissions (2) as low in importance to them personally.

Impact of age, location and financial status

The issues that particular age groups place increased importance on relative to the rest of the community largely reflect lifecycle priorities (Box 4). For example, young people place enhanced focus on career opportunities and housing, while middle age groups focus on work/life balance and pay rises. Older age groups focus more on chronic disease services, cost of essential services and regional development.

The survey showed that people living outside of capital cities place greater importance on employment opportunities and regional development. Unsurprisingly, people struggling financially place greater importance on job security, housing and mental health services than the rest of the population.

People living **outside of capital cities** place greater importance on employment opportunities and regional development.

Analysis of national issues

National issues were analysed applying similar categories to those under personal issues:

1. Health/retirement
2. Strong/ethical economy
3. National security/immigration
4. Employment
5. Education/skills

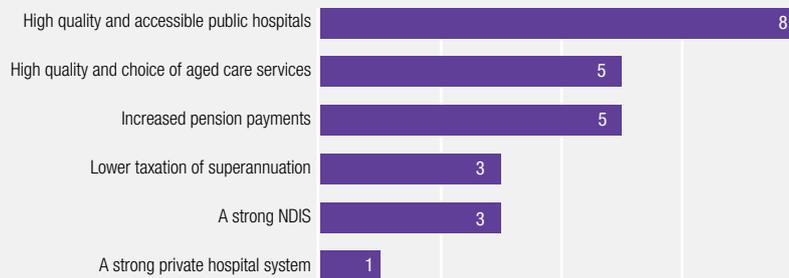
In addition to identifying priorities for the nation, these responses provide insights into how individuals would like the nation to respond to issues important to them.

Health/retirement issues are of greatest importance, but only by a small margin to national security issues (Figure 2.8).

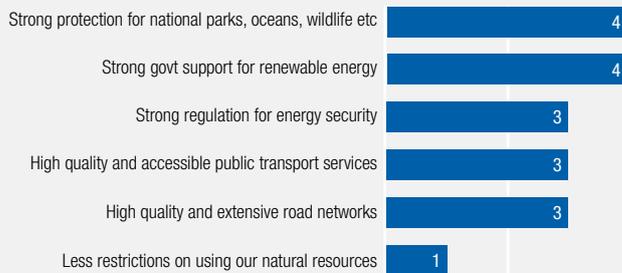
FIGURE 2.8
RELATIVE IMPORTANCE OF NATIONAL ISSUES BY CATEGORY
(COMBINED AND INDIVIDUAL SCORES)



HEALTH/RETIREMENT



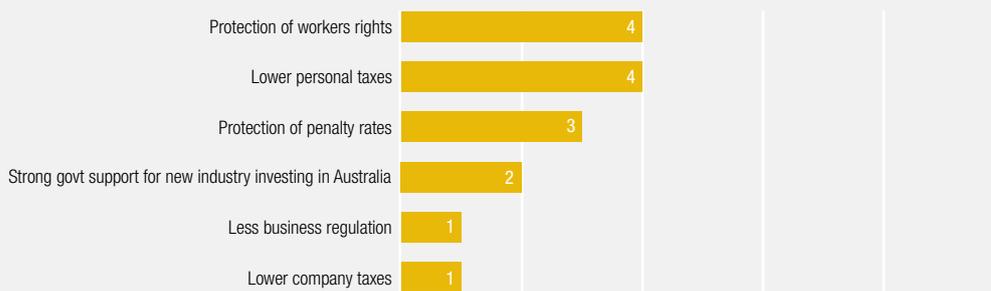
STRONG/ETHICAL ECONOMY



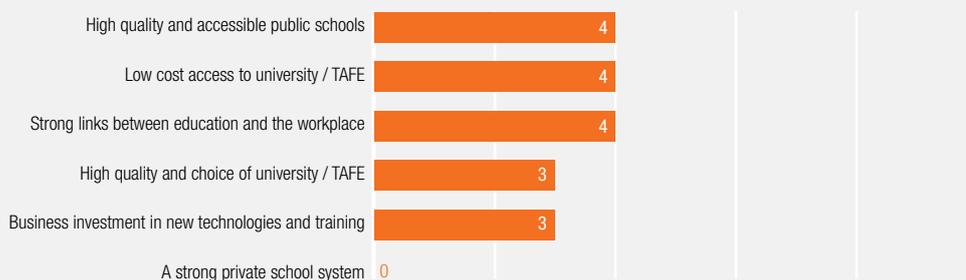
NATIONAL SECURITY/IMMIGRATION



EMPLOYMENT



EDUCATION/SKILLS



1. Health/retirement

Consistent with the earlier headline analysis, areas of priority include accessible and high quality public hospitals (8) aged care (5) and increased pensions (5).

The remaining issues are of lower importance or contested including lower taxation of superannuation and a strong NDIS. A strong private hospital system is considered to be relatively unimportant.

2. Strong/ethical economy

At the national level, Australians place greater importance on environmental issues including protection for the environment (4) and renewable energy (4). Accessible and high quality public transport, high quality road networks and regulation for energy security rate at an average importance level. The community places little importance on reducing current restrictions on the use of natural resources.

3. National security/immigration

National security and immigration issues are typically hot topics on the political agenda and routinely generate public debate. In addition to placing limits on foreign ownership (6), Australians also place high importance on tough criminal laws (5) and security to combat terrorism (4).

While not ranking highly overall in terms of clear national importance, lower immigration (3) and strong limitations on working visas (3) are probably best seen as contested rather than being issues around which the community is indifferent. Both attract relatively high response rates but with strongly diverging opinions regarding the direction of importance.

4. Employment

The national issue most important to the community in the context of employment is the protection of workers' rights (4). This may align with the importance placed on job security. In an environment of low wage growth, some in the community may also see this as the best means of securing better wage outcomes.

People also place above average importance on lower personal taxes (4), which will be a major focus of both political parties in the lead-up to the next federal election.



The community rated protection of **penalty rates** as relatively unimportant.

The community rated protection of penalty rates as relatively unimportant (3). This may reflect the fact that penalty rates do not directly impact most of Australia's 12.5 million workers.

People place relatively low importance on other business mechanisms that could potentially generate more jobs and higher wages. This includes government support for new industries (2), less business regulation (1) and lower company taxes (1). Reputational challenges in the corporate sector, regulatory issues in the financial sector and a perceived lack of connection with people's livelihoods are all likely to have contributed to this result.

5. Education/skills

In considering priorities for the nation, there appears to be less complacency on education and skills. The community places above average importance on high quality and accessible public schools (4), low cost access to university/TAFE (4) and strong links between education and the workplace (4).

Interestingly the community considers that choice and quality of university/TAFE (3) is of lower importance than low cost access. People also place less importance on private provision of education and training, including business investing in new technologies and training (3) and much less importance on a strong private school system (0).

There is a disconnect between the importance the community places on formal educational opportunities at a national level, and the lower priority placed on issues such as access to new skills and training throughout a person's working life. Resolving this disconnect will be critical to building workforce capability given the implications of evolving technologies on jobs, changing skill needs and greater worker agility and adaptability.

BOX 5

National issues of increased importance by age

FIGURE 2.9
NATIONAL ISSUES OF INCREASED IMPORTANCE FOR 18–29-YEAR-OLDS

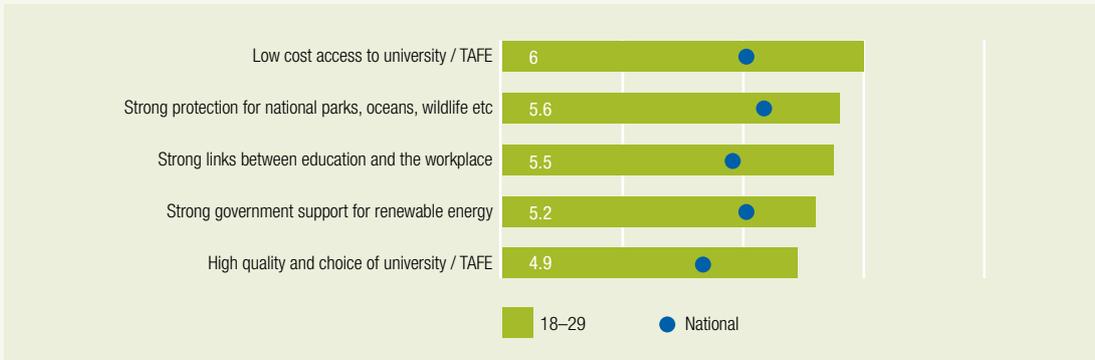


FIGURE 2.10
NATIONAL ISSUES OF INCREASED IMPORTANCE FOR 30–49-YEAR-OLDS



FIGURE 2.11
NATIONAL ISSUES OF INCREASED IMPORTANCE FOR 50–69 YEAR-OLDS

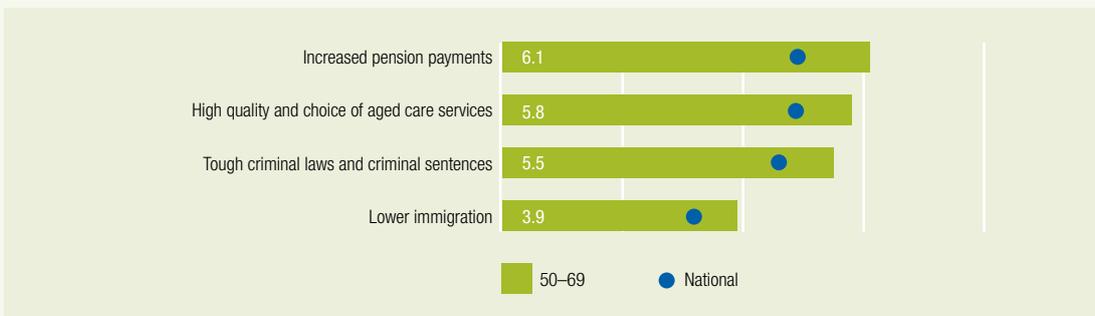


FIGURE 2.12
NATIONAL ISSUES OF INCREASED IMPORTANCE FOR 70+ YEAR OLDS



Impact of age, location and financial status

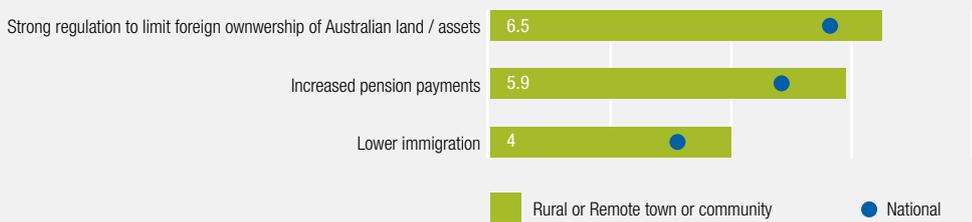
Box 5 outlines issues of increased importance for different age groups relative to the national average. As was the case in regard to issues of personal importance, these issues line up fairly consistently with stage of life.

Unsurprisingly, young people place high importance on education but are also more conscious of environmental issues including protection of national parks, oceans and wildlife along with government support for renewable energy.

People in their working prime (30–49) place greater importance on lower personal taxes. Older age groups tend to place greater importance on aged care and pension payments, along with national security issues.

People living in the city and people living comfortably tend to place increased importance on high quality and accessible public schools. Conversely, people having greater difficulty on their current income place greater priority on increased pension payments and workers' rights. Figure 2.13 shows that people in rural or remote communities placed increased importance above others on limits on foreign ownership, increased pension payments and lower immigration.

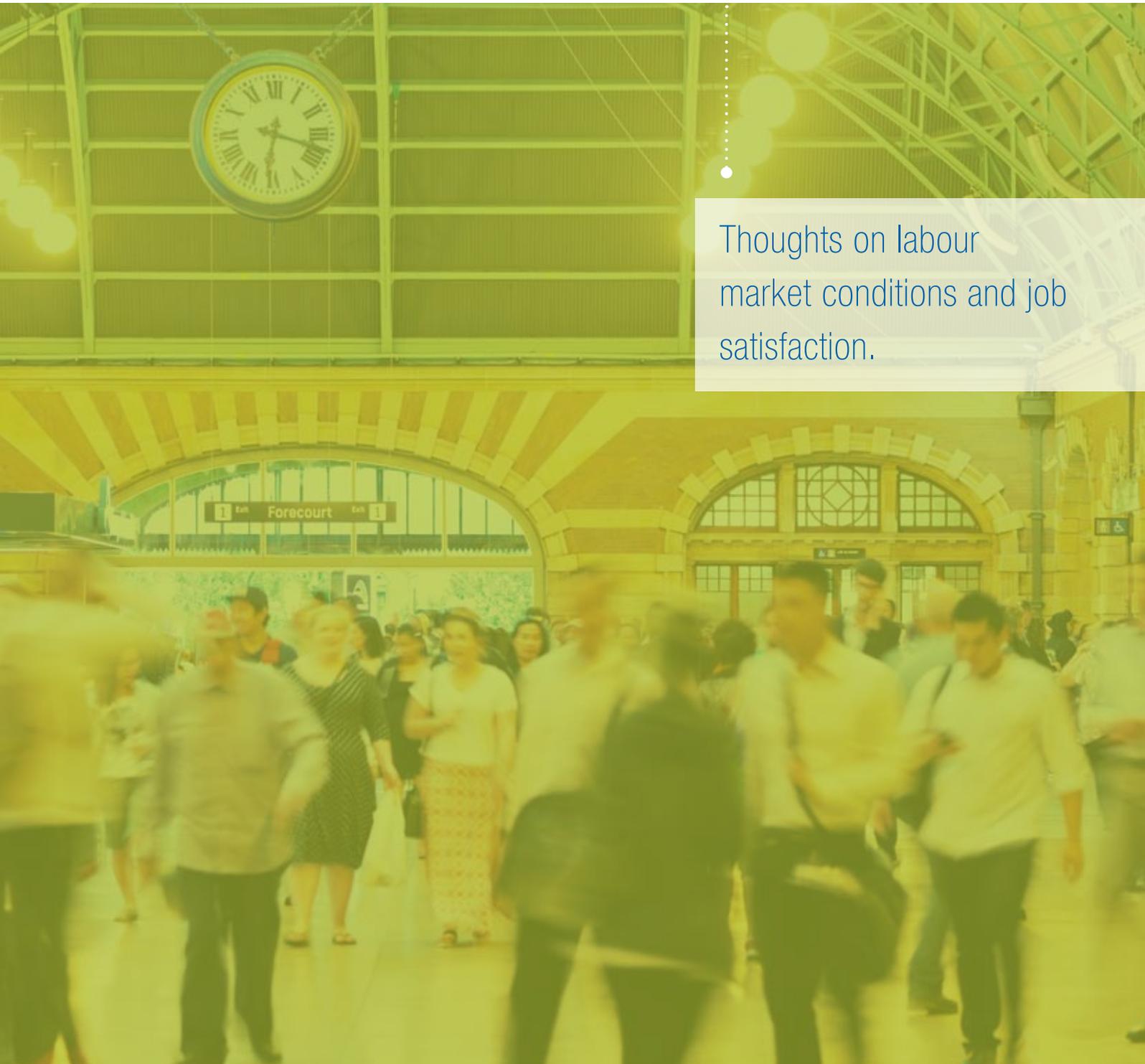
FIGURE 2.13
NATIONAL ISSUES OF INCREASED IMPORTANCE FOR RURAL OR REMOTE RESIDENTS



3

Australians' attitudes to work

Thoughts on labour market conditions and job satisfaction.



Introduction

At the headline level Australia's labour market has been strong recently with unemployment at 5.6 per cent and employment growing by over 330,000 in the 12 months to April.¹³ Despite this, there is evidence of some weakness with the labour force underutilisation rate hovering around 14 per cent over the last few years.¹⁴ There is also ongoing debate among economists about when conditions in the labour market will strengthen enough to support faster wages growth, which is seen as a necessary precursor to greater confidence and sustained stronger economic growth.

At the same time, emerging technologies are expected to have a profound impact on jobs over coming decades. CEDA's previous research *Australia's Future Workforce?* found that 40 per cent of Australian jobs were at high risk of being impacted by computerisation and automation. There is also growing debate about the impact of the gig economy and the rapid growth of the contingent workforce in Australia utilising digital platforms to earn income.

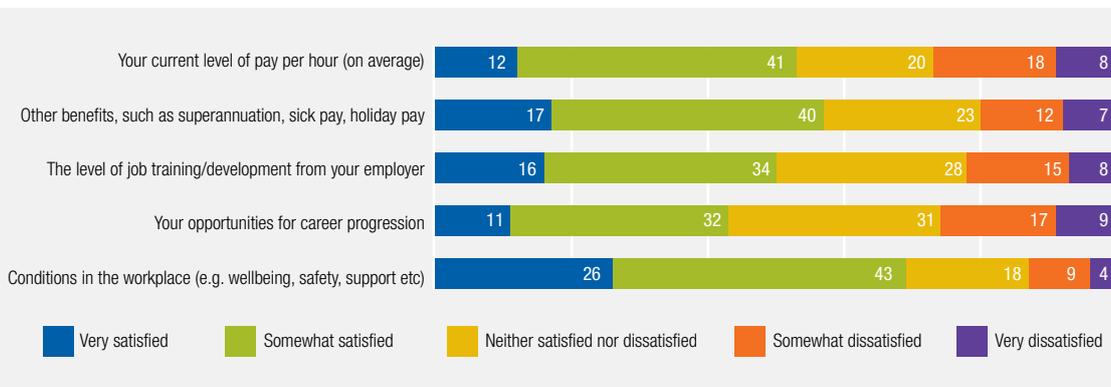
For these reasons, CEDA chose to explore Australians' current attitudes to work in further detail through this survey, including job satisfaction, work/life balance, hours of work, technology and future job creation.

Job satisfaction

Australians generally have reasonable levels of satisfaction with most aspects of working life (Figure 3.1), although a relatively high degree of ambivalence is evident in the responses in most categories (i.e. neither satisfied or dissatisfied).

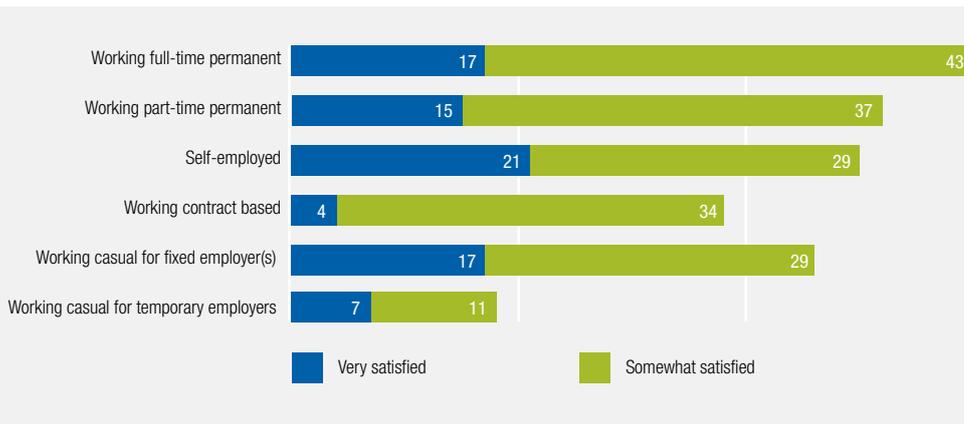
Almost 70 per cent of people were satisfied (very or somewhat) with basic conditions in the workplace. Over one-quarter of Australians are dissatisfied with their current levels of pay and opportunities for career progression.

FIGURE 3.1
SATISFACTION WITH DIFFERENT ASPECTS OF WORKING LIFE (PER CENT)*



*Please note numbers have been rounded and may not equal 100 per cent

FIGURE 3.2
SATISFIED AVERAGES BY EMPLOYMENT TYPE (PER CENT)



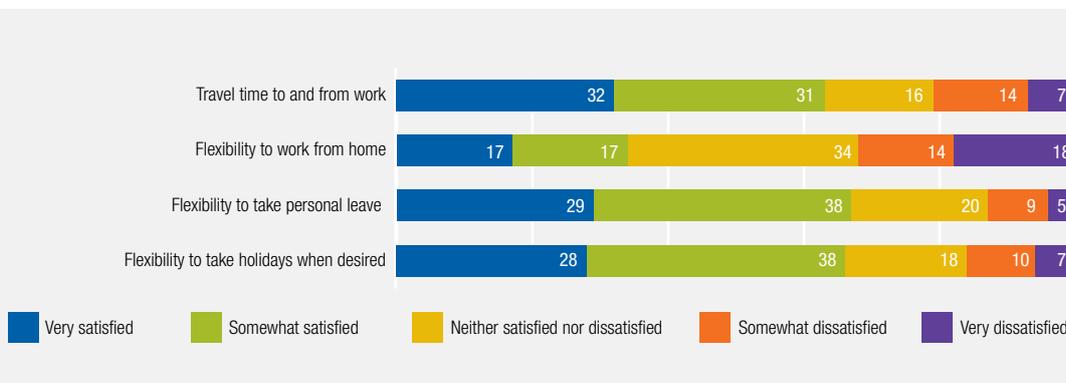
Australians employed in permanent positions express the highest levels of job satisfaction (Figure 3.2). Those in casual and contract positions express the lowest. Unsurprisingly, the survey results also found that people living comfortably on their current income were much more likely to be very satisfied with aspects of their job.

As noted earlier, work/life balance was the most important employment issue for people after job security. Satisfaction with work/life balance is over 60 per cent across all aspects, except for flexibility to work from home (Figure 3.3).

Thirty-two per cent of Australians are dissatisfied with their opportunity to work from home. This workplace trend is likely to evolve in coming years. While many Australian employers are increasingly adopting work from home policies, global technology companies such as IBM and Yahoo have recently sought to bring more of their workforce back into the office to boost collaboration.¹⁵

32%
of Australians are dissatisfied with their opportunity to work from home.

FIGURE 3.3
SATISFACTION WITH ASPECTS OF WORK/LIFE BALANCE (PER CENT)*

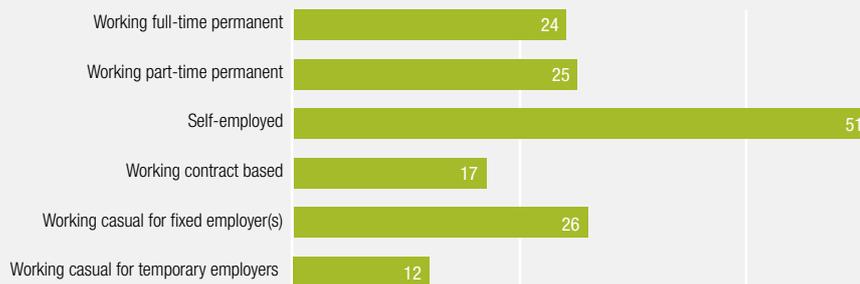


*Please note numbers have been rounded and may not equal 100 per cent

These survey results suggest that one in three workers have expectations that are not currently being met regarding this flexibility and this could emerge as a source of disconnect between employees and employers. This is particularly the case for younger employees of whom only nine per cent indicate they are very satisfied with flexibility to work from home.

Over 50 per cent of self-employed Australians are very satisfied with their work/life balance, while those working on contract or casually for temporary employers are likely to be the least satisfied (Figure 3.4).

FIGURE 3.4
WORK/LIFE BALANCE VERY SATISFIED AVERAGE BY EMPLOYMENT TYPE (PER CENT)



How much are Australians working?

Over one-third of respondents to this survey work the equivalent of four to five days each week (Figure 3.5). Over one-third of people work less than 30 hours a week.

Almost one-third of people work more than a standard working week. This may reflect the strong importance that Australians place on job security in the survey and a perception that maintaining that security requires extra hours to demonstrate commitment to employers.

FIGURE 3.5
TYPICAL WEEKLY HOURS (PER CENT)*



*Please note numbers have been rounded and may not equal 100 per cent

Almost one in three of those surveyed would like to work more hours (Figure 3.6). Well over half of those surveyed who work in casual positions would like to work more (Figure 3.7).

Almost one-quarter of full-time permanent employees indicated that they would like to work more hours to earn more. This result seems unusual and could add further weight to the influence of sluggish wage growth and stagnant income growth in recent years. It should be noted that this data on hours of work simply reflects the high-level answers of respondents to this survey. The results do not align with official labour market data, which are based on different methodologies and international labour statistic definitions.



FIGURE 3.6
WOULD YOU LIKE TO WORK MORE OR LESS? (PER CENT)

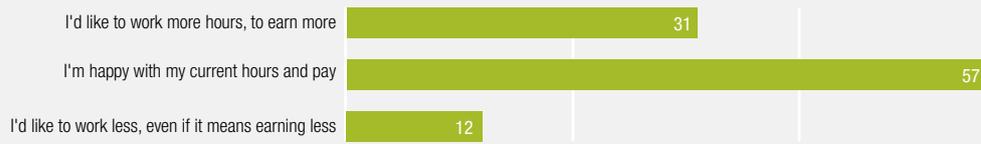
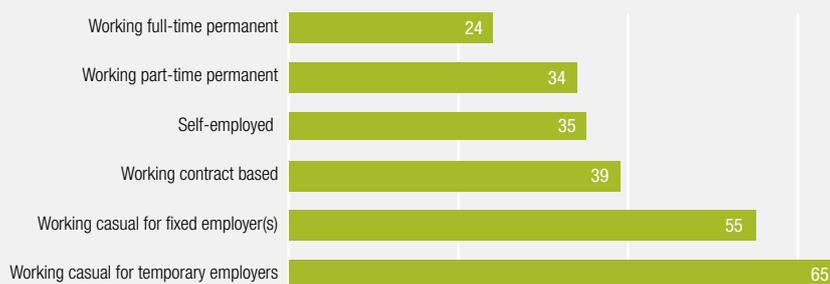


FIGURE 3.7
I'D LIKE TO WORK MORE HOURS, BY EMPLOYMENT STATUS (PER CENT)



Technology at work

Seemingly at odds with concerns about the impact of technology on jobs, respondents to this survey are widely accepting of new technology in the workplace – 71 per cent would welcome technology that helped them to do their job. Only 12 per cent are concerned that technology would replace them (Figure 3.8).

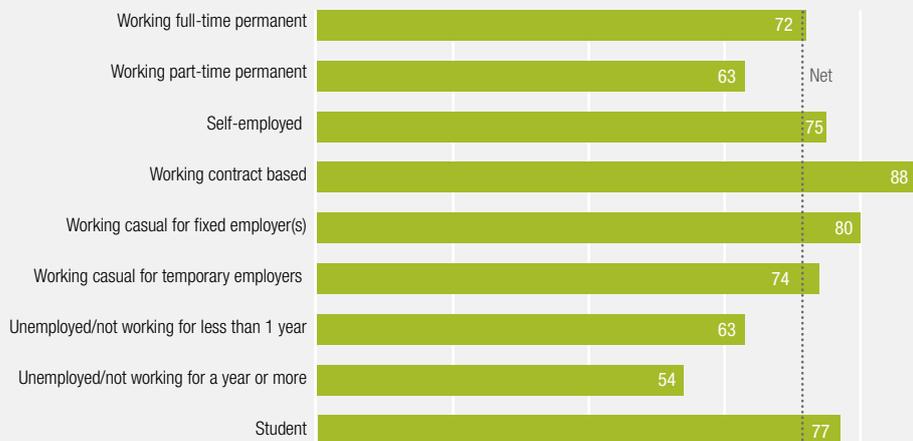
FIGURE 3.8
ATTITUDES TO NEW TECHNOLOGY (PER CENT)*



*Please note numbers have been rounded and may not equal 100 per cent

People working part-time and those who are unemployed are less likely to welcome new technology (Figure 3.9).

FIGURE 3.9
ACCEPTANCE OF NEW TECHNOLOGY BY EMPLOYMENT STATUS (PER CENT)



Less than 10 per cent of people are worried that they won't have the skills to use new technology. However, this rises to 27 per cent for those people unemployed for less than a year. There may be genuine optimism about technology across the broader population or it could reflect complacency on this issue as was noted earlier. This sense that 'I'll be alright' may need to be more directly challenged if Australia is to be confident of meeting identified and emerging skill needs.

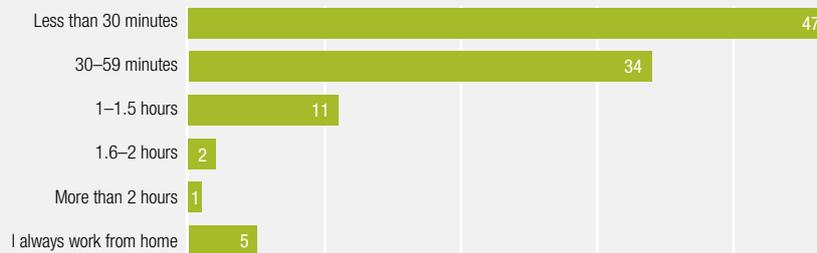
CEDA's *How Unequal? Insights on inequality* suggests that there is little room for complacency on skills and training in an age of rapid technological progress. The report cites World Economic Forum research suggesting that considerable effort will be required for workers with low education levels to transition to new jobs if

they are displaced by technology. These workers will require, on average, two years of additional education and two years of additional work experience to transition into new roles that maintain or grow their wages.

Getting to and from work

It takes less than an hour for over 80 per cent of Australians to commute to work. Consistent with other research, this survey finds that most Australians travel to work by car (67 per cent) with around a quarter taking public transport (Figure 3.10).

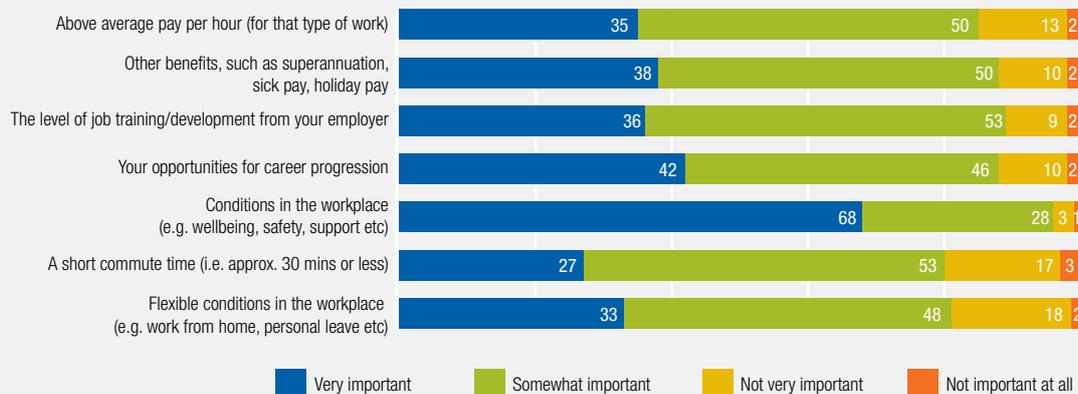
FIGURE 3.10
TIME TAKEN TO COMMUTE FROM HOME TO WORK (PER CENT)



What matters at work

The most important aspect identified when looking for a job is basic conditions in the workplace, including safety and wellbeing, followed by pay, benefits, training and development, and opportunities for career progression. Around one in five people do not believe that a short commute time or flexibility in the workplace are important to them (Figure 3.11).

FIGURE 3.11
IMPORTANT ASPECTS WHEN LOOKING FOR A JOB (PER CENT)*



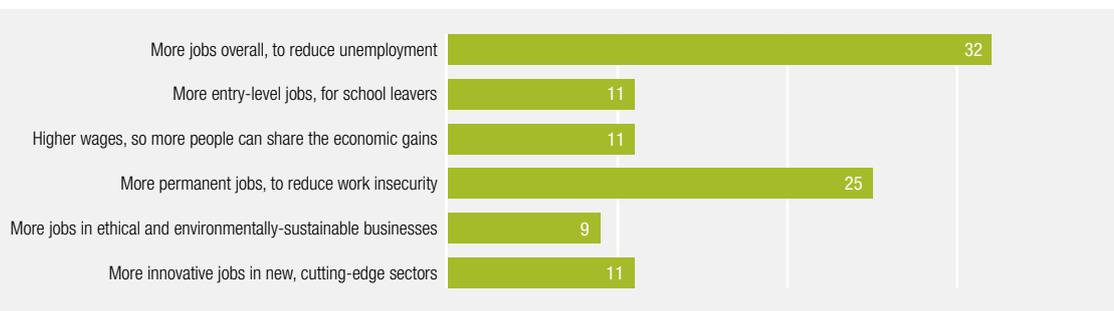
*Please note numbers have been rounded and may not equal 100 per cent

Future job creation

When thinking about future job creation, the clear priorities for Australians are more jobs overall to reduce unemployment and more permanent jobs to reduce job insecurity (Figure 3.12). These top priorities generally hold across different age groups, locations (urban, regional and remote) and financial status.

Unsurprisingly the survey results also show that those working part-time, casual and facing difficulties on current incomes place a higher priority on higher wages than the general population.

FIGURE 3.12
SUGGESTED FOCUS FOR FUTURE JOB CREATION (PER CENT)*



*Please note numbers have been rounded and may not equal 100 per cent

Endnotes

- 1 Real Net National Disposable Income per Capita. CEDA calculation from ABS, *Australian System of National Accounts*, 2016–17. Catalogue No. 5204.0
- 2 IMD. 2018, *World Competitiveness Yearbook 2018*, Accessed from <https://www.imd.org/wcc/world-competitiveness-center-rankings/world-competitiveness-ranking-2018/>
- 3 Productivity Commission. 2018, *Report on Government Services 2018*, Accessed from <https://www.pc.gov.au/research/ongoing/report-on-government-services/2018/justice>
- 4 Productivity Commission. 2018, *Report on Government Services 2018*
- 5 PwC. 2018, *Practical innovation: Closing the social infrastructure gap in health and ageing*, Accessed from <https://www.australianunity.com.au/-/media/corporate/documents/media%20release%20pdfs/practical%20innovation%20closing%20the%20social%20infrastructure%20gap%20in%20health%20and%20ageing.pdf>
- 6 PwC. 2018, *Practical innovation*.
- 7 ABS. 2018, *International Investment Position, Australia: Supplementary Statistics, 2017* & DFAT. 2017, *Foreign Investment Statistics*, Accessed from <http://dfat.gov.au/trade/resources/investment-statistics/Pages/statistics-on-who-invests-in-australia.aspx>
- 8 Irvine, D. 16 May 2018, Address to the International CEO Forum, Accessed from <http://firb.gov.au/2018/05/international-ceo-forum/>
- 9 AIHW. 2017, *Health Expenditure 2015–16*, Accessed from <https://www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure-australia-2015-16/contents/data-visualisations>
- 10 Department of Infrastructure, Development and Regional Cities. 2017, *Regions 2030—Unlocking opportunity*. Accessed from http://regional.gov.au/regional/publications/regions_2030/
- 11 Lowe, P. 11 April, 2018, 'Regional Variation in a National Economy', Address to the Australia-Israel Chamber of Commerce. Accessed from <https://www.rba.gov.au/speeches/2018/sp-gov-2018-04-11.html>.
- 12 Fair Work Commission. 6 June 2017, *Annual Wage Review Decision 2016–17*, page 5. Accessed from <https://www.fwc.gov.au/documents/sites/wagereview2017/decisions/2017wcfb3500.pdf>
- 13 ABS. 17 May 2018, *Labour Force, Australia, April 2018*. Catalogue No. 6202.0.
- 14 ABS. 2018, *Labour Force Australia*, Catalogue no. 6202.0
- 15 See for example Heath, N. 15 August 2017, 'Get back to work: is remote working in decline?', *Intheblack*, Accessed from <https://www.intheblack.com/articles/2017/08/15/remote-working-in-decline>.

Methodology

Survey method

Results presented in this report are based on an online survey of the Australian population (i.e. the “general community”), conducted between 29 March and 12 April 2018 by Polity Research & Consulting.

Polity Research & Consulting is an independent social research consultancy, specialising in evaluating stakeholder issues and expectations, from broad general public communities to smaller specific groups.

A general community sample of n=2991 was drawn from a professional market and social research panel, and was sampled and weighted to be representative of the Australian population by age, gender and residential location.

For state and territory breakouts in the general community, quotas were set for each sample group.

The data is weighted to ABS population data (in terms of age, gender and location), based on the 2016 Census.

Accuracy

With a sample size of n=2991, the accuracy of the results of the general community sample is +/- 1.8 per cent at the 95 per cent confidence interval. This means, for example, that if the survey returns a result of 50 per cent, there is 95 per cent probability that the actual result will be between 48.2 per cent and 51.2 per cent.

State/Territory breakouts are associated with the following margins of error at the 95 per cent confidence interval:

- NSW, Victoria (n=600 each) +/-4.0 per cent
- QLD, WA, SA (n=400 each) +/-4.9 per cent
- ACT, Tasmania (n=200 each) +/-6.9 per cent
- NT (n=100) +/-9.8 per cent

For some smaller demographic segments where n=less than 100, the margin of error will be greater.

The Appendix at the end of this report provides full sample characteristics.

All percentage figures in this report are rounded. Accordingly, totals may not add up to 100 per cent.

MaxDiff method for government policy rankings

Results and rankings regarding the general public's priorities and expectations for government policy were measured using two distinct MaxDiff survey questions. The first question asked people to rate a series of 30 different items, according to which was most important and which was least important to them personally. The second question asked people to rate another series of 30 different items, according to which were the most critical and least critical directions for Australia to take as a nation.

For each question, the MaxDiff method ensured each respondent saw a randomised selection of five items in iterative rotations, combining varied sets each time until all 30 had been shown in various combinations. Overall, each of the 30 items in each question was shown an equal number of times, across the full sample of n=2991.

In the report, analysis of these results is presented in two ways:

- **Response percentage results** (%s) show the proportions of times each item was shown that it was selected as either most or least important. Rankings of each item are then based on the nett percentage of these proportions (i.e Most% less Least%).
- **Average score results** then turn these % proportions into a relative importance score for each item, in relation to the other 29 items. For each respondent the total score for each question adds to 100. As there are 30 items for each of the MaxDiff questions, an item of average importance will score 3.3.

What the MaxDiff results mean: Response %s and average scores

Each of the two analysis versions provide useful interpretations of the results:

- **Response percentage results** (%s) show how much each item is widely important (high most %), widely unimportant (high least %), divisive (high most AND least %s) or irrelevant (low most AND least %s), to the general public.
- **Average score results** provide a more robust view of the importance of each item, in the minds of Australians. With an average importance score of 3.3, any score above this is of “above-average” importance to people, while similarly anything below 3.3 is of lower importance. More significantly, the multiple of an average above 3.3 is a reflection of the *relative importance*. For example, any item (or group of items) with a score of 10 is effectively three-times as important as an item (or group of items) of average importance.

Reporting – understanding the trade-offs among policy options

The MaxDiff approach average score results have been primarily used to present results in this report, regarding the general public’s sentiments and expectations for government policy directions and priorities. This is because the average score analysis is a more robust measurement of people’s preferences, and also shows a more reliable view of *relative importance* in a trade-off scenario. Understanding the trade-offs people were prepared to make was a key study objective and key reason for using the MaxDiff.

MaxDiff method: rationale and process for selecting personal and national policy issues/ items

For each of the MaxDiff survey questions, the series of 30 different items were developed in an iterative process between Polity and the CEDA management team. These items were selected to represent not only the breadth of potential key personal and national issues for people, but also to offer options that were both current and forward looking. The different items chosen were based on two main inputs:

- **Evidence from Polity’s previous research.** Key public issues have been measured by Polity through a number of studies over the past four to five years, including both prompted and unprompted responses.

- **Economic and social experience and relevance gained from CEDA's work.**
As an independent apolitical organisation, CEDA has been providing thought leadership and policy perspectives on the economic and social issues affecting Australia for more than 50 years. As such, it has considerable understanding of key factors.

It should also be noted that, where relevant for specific items, each option encapsulated both quality and affordable access. This enabled respondents to select between options based on their focus, rather than choosing between quality and cost or availability. Polity's experience has shown the latter offers a false dichotomy in this regard: people want key services to be both of high quality and accessible (in terms of cost and availability). This is because there's no use having quality if you can't access it, and there's no use having access if the quality is poor.

Interpreting the MaxDiff average scores: personal and national priorities for Australia's people

Average scores are calculated out of 100, based on how often each respondent selected an item as most or least important, in relation to all other items it was combined with in the survey. With 30 items to choose from in each scale, this means that each item had a nominal starting value (average score) of 3.3. Accordingly, importance scores indicate the relative importance as a multiple of the average 3.3. For example:

- An importance score of **9.0** is **effectively 3x more important** to people, than an item of average importance (3.3)
- An importance score of 6.0 is effectively 2x more important to people, than an item of average importance (3.3)
- An importance score around 3.0 is an item of average importance (3.3)
- An importance score of **1.0** is **effectively 3x less important** to people, than an item of average importance (3.3)

MaxDiff results: an effective understanding of policy options with high importance

The MaxDiff approach is particularly effective for understanding key priorities for people. This is because in typical survey approaches, where respondents are asked to rate items individually, it's simply easy to say everything's important. In contrast, the MaxDiff approach *forces* choices between options. As such, above-average scores more effectively indicate high importance, as areas truly valued by people over other potential options.

Appendix

Respondent Profiles

Gender	%	Country of birth	%
Male	49	Born in Australia	70
Female	51	Born overseas	30
Age	%	Home	%
18–29 years old	21	Own my home outright	25
30–49	37	Own my home but paying mortgage still	29
50–69	30	Renting	30
70+	13	Income	%
Location	%	Living comfortably on current income	21
Capital city	65	Coping on current income	44
Major regional city	13	Finding it difficult on current income	20
Regional town	10	Finding it very difficult on current income	11
Rural town	7		
Remote town or community	4		

Sample characteristics*

Gender and age	General population weighted %	General population (raw numbers)
Male	49%	1447
Female	51%	1544
18–19 years old	6%	180
20–29 years old	15%	441
30–39 years old	17%	531
40–49 years old	19%	553
50–59 years old	17%	529
60–69 years old	13%	438
70+	13%	319
Main 'life stage' age groups	General population weighted %	General population (raw numbers)
18–29 years old	21%	621
30–49 years old	37%	1084
50–69 years old	30%	967
70+	13%	319
State/Territory	General population weighted %	General population (raw numbers)
NSW	32%	616
VIC	25%	631
QLD	20%	411
WA	10%	406
SA	8%	405
TAS	2%	212
ACT	2%	209
NT	1%	101
Metro/Regional	General population weighted %	General population (raw numbers)
Capital city	65%	1938
Major regional city	13%	383
Regional town	10%	289
Rural town	7%	233
Remote town or community	4%	148

*General adult working population total sample size = 2991. Please note, percentages have been rounded and may not equal 100 per cent.

Sample characteristics...continued*

Employment status	General population weighted %	General population (raw numbers)
Working full-time permanent	30%	902
Working part-time permanent	12%	357
Self-employment (e.g. sole trader, partnership, small business owner etc.)	6%	168
Working contract based	1%	41
Working casual for fixed employer(s) – e.g bar work etc.	5%	141
Working casual for temporary employer(s) – e.g the gig economy	1%	35
Unemployed/not working for less than 1 year	2%	48
Unemployed/not working for a year or more	3%	98
Student	12%	349
Retired	19%	559
Manage household/family	7%	217
Other	3%	76
Birth	General population weighted %	General population (raw numbers)
Born in Australia	70%	2140
Born overseas	30%	851
English-speaking at home/with friends	92%	2785
Non-English speaking at home/with friends	8%	206
Education	General population weighted %	General population (raw numbers)
Postgraduate degree	13%	364
Bachelor degree	23%	678
Graduate diploma or graduate certificate	6%	176
Advanced diploma or diploma	13%	368
Certificate I, II, III or IV	18%	574
Secondary education	26%	775
Primary education	1%	25
Other education	1%	31

*General adult working population total sample size = 2991. Please note, percentages have been rounded and may not equal 100 per cent.

Sample characteristics...continued*

Family arrangement	General population weighted %	General population (raw numbers)
Single with dependent children living at home	5%	164
Single without dependent children living at home	28%	834
Married/de facto without dependent children living at home	26%	771
Married/de facto with dependent children living at home	30%	918
Other	10%	304
Accommodation arrangement	General population weighted %	General population (raw numbers)
Own my home outright	25%	762
Own my home but paying mortgage still	29%	896
Renting (e.g. leaseholder or flat share or student campus etc.)	30%	874
Living with parents/family member(s)	13%	377
Staying in temporary accommodation	1%	27
Other	2%	55
Annual household income (before tax, excluding super)	General population weighted %	General population (raw numbers)
\$1-\$19,999	7%	222
\$20,000-\$29,999	9%	277
\$30,000-\$49,999	16%	489
\$50,000-\$69,999	12%	373
\$70,000-\$89,999	10%	295
\$90,000-\$119,999	13%	382
\$120,000-\$149,999	8%	237
\$150,000-\$249,999	8%	237
\$250,000	1%	41
Don't know/prefer not to say	15%	438
Financial situation	General population weighted %	General population (raw numbers)
Living comfortably on current income	21%	643
Coping on current income	44%	1281
Finding it difficult on current income	20%	626
Finding it very difficult on current income	11%	330
Prefer not to say	4%	111

*General adult working population total sample size = 2991. Please note, percentages have been rounded and may not equal 100 per cent.

Sample characteristics...continued*

Voting intention	General population weighted %	General population (raw numbers)
Labor Party	34%	1052
Liberal Party and The Nationals	31%	916
The Greens	11%	313
One Nation	7%	191
An independent candidate	9%	280
Some other party	8%	239
How certain are you to vote for that party?	General population weighted %	General population (raw numbers)
Very certain	37%	1127
Quite certain	39%	1170
Not very certain	18%	521
Not certain at all	6%	173

*General adult working population total sample size = 2991. Please note, percentages have been rounded and may not equal 100 per cent.

Acknowledgements

CEDA would like to acknowledge the following members and individuals who contributed to CEDA's general research fund between 2 June 2017 and 1 June 2018.

CEDA undertakes research with the objective of delivering independent, evidence-based policy to address critical economic issues and drive public debate and discussion. It could not complete its research agenda without the support of these contributions.

.....
National
.....

ABB Australia

ACIL Allen Consulting

Advisian

AECOM

AEMO

AGL

Alinta Energy

Allens

ANZ Banking Group

APA Group

Ashurst

Aurecon Group

Austrade

Australia Post

Australian Bureau of Statistics

Australian Rail Track Corporation

AustralianSuper

BAE Systems

Bendigo Bank	Microsoft
Bupa	Minerals Council of Australia
Cardno	Mitsubishi Australia
Chartered Accountants Australia and New Zealand	National Australia Bank
Commonwealth Bank of Australia	Navitas
Commonwealth Treasury	Nous Group
CQ University	Philips Electronics
CSIRO	Plenary Group
Deloitte	PwC Australia
ERM Power	Reserve Bank of Australia
Esri Australia	Rio Tinto
EY	RSM
Ferrier Hodgson	SEEK
First State Super	Shell Australia
Fragomen	Siemens
G4S Australia and New Zealand	SkillsIQ
GHD	Spotless
Google	Stellar Asia Pacific
HASSELL	Stockland
Herbert Smith Freehills	Telstra
HESTA	Transdev
IBM	Transurban
Jacobs	UniSuper
KPMG	Westpac
McConnell Dowell	Woods Bagot
McKinsey & Company	WSP
Mercer	

.....
ACT
.....

Aged and Community Services Australia

Australian National University

Federal Department of Industry,
Innovation and Science

Federal Department of Jobs and Small
Business

University of Canberra

.....
New South Wales
.....

Architectus

Ausgrid

Australian Catholic University

Australian Energy Market Commission

Australian Institute of Company
Directors

Australian Nuclear Science and
Technology Organisation

Australian Payments Network

Bank of Queensland

Barangaroo Delivery Authority

Blackmores

British Consulate-General

CIT Group

Cannings Communications

Challenger

City of Parramatta

City of Sydney

Clean Energy Finance Corporation

ConnellGriffin

Consult Australia

Edelman

EISS Super

Essential Energy

Federal Department of Foreign Affairs
and Trade

Four Seasons Hotel Sydney

Gilbert + Tobin

Green Building Council of Australia

Healthdirect Australia

Heart foundation

Peter Hislop

Holcim (Australia)

Honeywell

Hunter Water Corporation

IAG

Infrastructure Australia

Insurance & Care NSW (icare)

International Convention Centre Sydney

Jemena

Landcom

Liverpool City Council

Macquarie Group

Maddocks

Marsh

Erin Mulvaney

McCullough Robertson Lawyers

Newgate Communications	UNSW Sydney
NSW Department of Finance, Services and Innovation	UrbanGrowth NSW Development Corporation
NSW Department of Premier and Cabinet	Water NSW
NSW Ports	Western Sydney University
NSW State Insurance Regulatory Authority	WiseTech Global
NSW Treasury	Workplace Gender Equality Agency
NSW Treasury Corporation	Talal Yassine, OAM
Partners in Performance Queensland
Port of Newcastle	Adani Mining
Powell Tate	Arcadis Australia Pacific
RBC Capital Markets	Arrow Energy
RPS Advisory Services	Aurizon
Snowy Hydro	Baker McKenzie
Squire Patton Boggs	Bank of Queensland
Standards Australia	Bond University
Sydney Airport	Brisbane Convention and Exhibition Centre
Sydney Motorway Corporation	Bryan Family Holdings
Sydney Water	Burrell Stockbroking and Superannuation
Systra Scott Lister	ConocoPhillips
Tactical Group	CPL
TBH	DMA Engineers
The University of Sydney	Energy Queensland
United Overseas Bank	Gadens
University of Newcastle	Griffith University
University of Technology Sydney	Ipswich City Council
University of Wollongong	

James Cook University	Redland City Council
Laguna Bay	Stanwell Corporation
Law In Order	Robyn Stokes
Logan City Council	Suncorp Group
Lutheran Services	SunWater
McCullough Robertson Lawyers	Super Retail Group
Metro South Health	TAE Aerospace
METS Ignited Australia	TAFE Queensland
Morgans	The University of Queensland
New Hope Group	Toowoomba Regional Council
Olam Australia	Townsville City Council
Open Minds	Trade and Investment Queensland
Port of Brisbane	Translational Research Institute Pty Ltd
QIC	Tri-Star Petroleum Company
Queensland Airports Limited	Turner & Townsend Thinc
Queensland Competition Authority	UnitingCare Queensland
Queensland Department of Agriculture and Fisheries	University of Southern Queensland
Queensland Department of Housing and Public Works	Wiggins Island Coal Export Terminal
Queensland Department of Natural Resources, Mines and Energy South Australia
Queensland Dept of State Development, Manufacturing, Infrastructure and Planning	ACH Group
Queensland Family and Child Commission	Adelaide Festival Centre
Queensland Resources Council	Babcock International
Queensland Treasury	BankSA
Queensland Treasury Corporation	Bedford Group
	Business SA
	CanDo Group

CARA
Coopers Brewery
ElectraNet
Executive Leadership Connection
Funds SA
Carolyn Grantskains
Health Partners
HomeStart Finance
Hughes Public Relations
Morton Philips
NCVER
OZ Minerals
People's Choice Credit Union
RAA of SA
Royal Institution of Australia
SA Ambulance Service
SA Department of the Premier
and Cabinet
Scotch College Adelaide
Seeley International
Shoal Engineering
South Australian Water Corporation
Southern Cross Care
St Peters Collegiate Girls School
Statewide Superannuation Trust
TechInSA

Tasmania

Aurora Energy
Hydro Tasmania
Tasmanian Department of State Growth
TasNetworks
University of Tasmania

Victoria

.au Domain
Australian Energy Council
Australian Health Policy Collaboration
Australian Unity
Barwon Water
Bendigo Kangan Institute
Box Hill Institute
Cabrini Health
Citipower and Powercor Australia
City of Ballarat
City of Wodonga
Clean Energy Council
CoHealth
Deakin University
EPA Victoria
ExxonMobil
Fisher Leadership
Alexander Gosling, AM
GTA Consultants

Homesafe Solutions	Victorian Department of Environment, Land, Water and Planning
Housing Choices Australia	
Hudson	Victorian Department of Premier and Cabinet
IFM Investors	Victorian Department of Treasury and Finance
Jemena	Victorian Managed Insurance Authority
La Trobe University	Victorian Planning Authority
Latrobe City Council	Walter and Eliza Hall Institute of Medical Research
Macquarie Group	
Maddocks	Western Water
Melbourne Convention & Exhibition Centre	Wilson Transformer Company
Melbourne Water Corporation Western Australia
Metro Trains Melbourne	ATCO
Parks Victoria	Megan Anwyl
Phillip Island Nature Park	Austal
Pinnacle Group	Bankwest
Pitcher Partners	BP Australia
Programmed Group	Brightwater Care Group
RMIT University	Brownes Dairy
RPS Group	Chamber of Commerce and Industry – Western Australia
Skybus	Chevron Australia
Slattery	City of Fremantle
Smarter	City of Joondalup
Treasury Corporation of Victoria	City of Perth
University of Melbourne	City of South Perth
Victoria University	Curtin University
Victorian Agency for Health Information	DuPont

Terry Grose	Squire Patton Boggs
Hays	Synergy
HopgoodGanim Lawyers	Syrinx Environmental
Horizon Power	The Bethanie Group
Hudson	The University of Western Australia
INPEX Ichthys	Tianqi Lithium Australia
Jackson McDonald	University of Notre Dame
LandCorp	WA Department of Finance
Lifeline WA	WA Department of Health
MercyCare	WA Department of Planning, Lands and Heritage
METS Ignited Australia	WA Department of Primary Industries and Regional Development
Murdoch University	WA Department of Treasury
National Offshore Petroleum Safety and Environmental Management Authority	WA Super
Newmont Australia	Water Corporation
Programmed Group	Wesfarmers
Public Sector Commission	Western Australian Treasury Corporation
Resource Capital Funds Management	Western Power
Sinosteel Australia	Woodside Energy
South32	

CEDA Board of Directors

Paul McClintock AO

National Chairman, CEDA; Chairman of NSW Ports

Melinda Cilento

Chief Executive, CEDA

Dr John Edwards

Visiting Fellow, Lowy Institute and Adjunct Professor, Curtin University

Patricia Faulkner AO

Chairman, Jesuit Social Services

John Langoulant AO

Chairman, Dampier to Bunbury Natural Gas Pipeline

Dr Rodney Maddock

Adjunct Professor in Economics,
Monash University and Vice Chancellor's Fellow, Victoria University

Miriam Silva

Director, TAFE South Australia

Megan Motto

CEO, Consult Australia

Dr Catherine Sinclair

Director, The Consultancy Bureau

Diane Smith-Gander

Non-Executive Director, Wesfarmers

Stephen Spargo AM

Director, Stanbury Consultants

Andrew Stevens

Chair, Advanced Manufacturing Growth Centre

Dr Ian J Watt AC

Chairman, BAE Systems

National

Level 13, 440 Collins Street
Melbourne VIC 3000
GPO Box 2117
Melbourne VIC 3001
Telephone 03 9662 3544
Email info@ceda.com.au

**New South Wales
and the ACT**

Level 14
The John Hunter Building
9 Hunter Street
Sydney NSW 2000
GPO Box 2100
Sydney NSW 2001
Telephone 02 9299 7022
Email info@ceda.com.au

Queensland

Level 17, 300 Adelaide Street
Brisbane QLD 4000
GPO Box 2900
Brisbane QLD 4001
Telephone 07 3229 9955
Email info@ceda.com.au

**South Australia and the
Northern Territory**

Level 5
2 Ebenezer Place
Adelaide SA 5000
Telephone 08 8211 7222
Email info@ceda.com.au

Victoria and Tasmania

Level 13
440 Collins Street
Melbourne VIC 3000
GPO Box 2117
Melbourne VIC 3001
Telephone 03 9662 3544
Email info@ceda.com.au

Western Australia

Level 5
105 St Georges Terrace
Perth WA 6000
PO Box 5631
St Georges Tce
Perth WA 6831
Telephone 08 9226 4799
Email info@ceda.com.au