Community perspectives on social inequality
(2005-2015)
Acknowledgements

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Inequality in Australia is rising; and people know it!

This Report provides a very timely insight into how well people in our country understand the problem of inequality in Australia. It shows that people care strongly whether Australian society is fair; and that there is a growing perception that our fairness is in decline. We see some very raw views, as people express concern about the competition for jobs in a tough labour-market. But for the most part, the Report reflects a genuine concern from people about how others are faring: older people worrying about the ability of young people to get decent paid work; widespread recognition that first-time home buyers are struggling to secure their housing needs; shared concern across generations about how each of us will fare and who will look after us in our old age.

This Report is the product of a partnership between ACOSS, the Reichstein Foundation and the Australian Communities Foundation. It follows the release of ACOSS’ first analysis of inequality in Australia. We found that a person in the highest 20% of income earners has around five times as much income as someone in the lowest 20% of income groups. Wealth is far more unequally distributed than income. A person in the highest 20% of income earners has around 70 times more wealth than a person in the lowest 20% of income earners. The average wealth of a person in the highest 20% increased by 28% over the past 8 years, while for the lowest 20% it increased by only 3%. Meanwhile, the lowest 40% of households own just 5% of all wealth. And for those who think it’s all relative, our research showed that inequality in Australia is higher than the OECD average.

While the growth in inequality in Australia is bad, there is good news: the problems that are driving inequality in Australia are structural, and the solutions to them are within our grasp. In the past, a strong set of institutions in Australia have kept income and wealth inequality in check while still making room for steady economic growth. This ‘Australian economic model’ included full employment policies, universal access to public education and health care, a unique system of wage regulation, progressive income taxes, and a well-targeted social security safety net. As a result we were able to place limits on inequality within an open economy with relatively low taxes and public expenditures, and a flexible labour market.

Over the past two decades, this social compact appears to have been unravelling.
The benefits of our world-beating economic growth have been shared much more unequally than in the past. Strong employment growth over the past 17 years helped to reduce inequality, as those at the bottom end of income distribution had greater access to the workforce and worked more hours. However, wages growth has been varied and has acted to increase inequality. Wealth inequality has declined since the Global Financial Crisis, but has increased over the longer term.

It is institutions like the minimum wage, a progressive tax system, and universal health and education that provide strong economic structures to prevent poverty and reduce inequality. This Ipsos Report shows just how much those institutions matter, to people and communities in Australia. It should galvanise our leaders to take action: to make the right decisions that ensure Australia’s economic growth supports our health and wellbeing individually and collectively, now and into the future.

Dr Cassandra Goldie, CEO
The Research Method

This Report was prepared by Ipsos using insights from the past 10 years of The Mind & Mood Report.

The Mackay Report was established by the psychologist and social commentator, Hugh Mackay, in 1979. In 2013 it was renamed The Ipsos Mind & Mood Report, and is now the longest running social trends study of its kind in Australia.

The methodology that underpins The Mind & Mood Report has not changed over the past 37 years and provides a unique perspective on how community attitudes and values have developed and evolved over time. The approach follows the classical principles of non-directive qualitative research. That is, discussions take place in people’s homes in diverse locations around Australia with naturally existing friendship groups. Importantly, the researchers rarely ask questions; participants are free to range widely over any aspect of contemporary Australian life they might choose to discuss within the broader topic of investigation. This means that the reports we produce are a genuine reflection of their agenda and their concerns.

The following discussion of public attitudes towards social inequality was prepared using insights gathered in The Mind & Mood Report between 2005 and 2015. It explores a wide range of issues and themes that have been discussed spontaneously by the participants in the research in relation to social inequality, such as: their concerns about access to jobs, education and housing; their belief in a ‘fair go’ for all; their attitudes towards community and welfare services, as well as their perceptions about the extent and causes of inequality and poverty in Australia. It should be noted that these are not necessarily issues that participants in the research have ever been asked to talk about in detail as part of the research; rather, this report provides a reflection of how these issues are discussed as part of everyday conversations between Australians.

During this time more than 4,000 Australians aged from their late teens to their late seventies have participated in fieldwork for The Mind & Mood Report. Discussions have taken place in capital cities and regional areas across Victoria, New South Wales, Western Australia, Queensland and South Australia. Participants were drawn from the upper-middle to lower-middle socio-economic strata; as such, the report does not take into account the views of either the poor or the very wealthy.

Data generated by The Mind & Mood Report’s non-directive group technique is subject to rigorous thematic analysis by a team of senior researchers.
This report offers a summary and interpretation of core themes that have emerged over the past 10 years, along with observations of differences in views that appear to be a function of age, gender and location.

In this report you will also find references to quantitative data from sources including:

**Ipsos Issues Monitor:**
1,000 respondents per month (3,000 per quarter), national, aged 18+.
Online survey, from MyView panel.
The data was weighted by age, gender and location (metro/non-metro) to reflect the population distribution.
± 3.1% is the maximum margin of sampling error that might apply to this sample.

**Ipsos I-View Omnibus Survey:**
6-10 May 2015
1,059 respondents, national aged 18+.
Online survey, from MyView panel.
The data was weighted by age, gender and location (metro/non-metro) to reflect the population distribution.
± 3% is the maximum margin of sampling error that might apply to this sample.
Chapter 1

Setting the scene: Australia’s economic unease

- These are trying times. Concerns over the health and trajectory of the Australian economy grew substantially between 2013 and 2015. During this period, economic confidence was lower than it was during the height of the global financial crisis.

- Our biggest worry is jobs. Job security and underemployment have been major concerns - especially for young families with large mortgages, people approaching retirement age and those living in rural areas where employment options were particularly limited.

- Our leaders don’t get it... they’re only making things worse. Blame for Australia’s economic woes has been attributed to short-term thinking, corporate greed and political and economic mismanagement.

- When the going gets tough, the focus tends to shift inward. In times of societal stress, participants have revealed a tendency to detach from political and social issues to concentrate on the things they feel they have more control over: their personal budget, their health and their relationships.

Chapter 2

Stories of financial struggle and hardship

- We’re struggling to keep up with the bills. Whilst interest rates and the cost of imports have reduced in recent years, participants have continued to complain about their struggle to cover the increasing costs of many of their everyday ‘essentials’ (e.g. housing, childcare, education, utilities , fresh food, costs of running a car).

- Prices have gone up, but our wages have stayed much the same. Insisting on a pay rise was considered highly risky given the stiff competition for work.

- The pain is not shared equally. The consequences of financial stress ranged from lifestyle changes to a reported decline in physical and mental health.

- But whatever our own situation, there are many others worse off. Though anxious and frustrated over the state of their personal finances, participants were mindful of the growing number of Australians who had no place to live.
Chapter 3
The emergence of ‘two Australias’: perspectives on social inequality

- **Are we still in the lucky country?** Australia’s weathering of the global financial crisis with less disruption than most other developed nations seems to have reaffirmed the country’s position as a land of relative prosperity and privilege. However, many felt that Australia was becoming a rougher, tougher, less caring place to live.

- **We believe in our right to ‘a fair go’, but we don’t always feel that we get one.** The values of fairness and equality are often seen as being at the heart of what it means to be Australian. But as the gap between rich and poor seems to widen, participants have been questioning just how egalitarian our society really is.

- **There was nothing fair about the 2014 Federal Budget.** There was a widespread view that the 2014 Federal Budget would create more inequality by taking essential support away from the most vulnerable groups in society (the young, the old, the sick) and propping up the privileged even higher.

- **The future looks bleak for our young people.** Over the past few years there has been a shift in sympathies towards young people. With rising unemployment, soaring house prices and high university fees, Australians have been questioning how even the most hard working and ambitious young people will ever afford to buy a house or start a family.

- **What will happen to us when we’re old?** Doubts about the adequacy of their super funds and whether the age pension will exist in the future have left participants feeling pessimistic about what it will be like to grow old in Australia.
Chapter 4

Who deserves help and who should provide it?

- Are we softening our attitudes towards job seekers? Australians’ attitudes toward the unemployed appear to be softening alongside the growing realisation that, in today’s economic environment, just about everyone is at risk of losing their job.

- Families of all shapes and sizes need a helping hand. Participants recognised the financial challenges associated with raising children, especially for single income, single parent and large families.

- We feel for people trying to get by on a pension. People who have a disability (and often their carers too) were seen as economically vulnerable. However, some questioned whether those who are disabled because of their own poor decisions, such as taking drugs, should benefit from community support.

- We need fair public health care. The rising cost of health care has been a widespread concern, along with limited access to quality healthcare in rural areas.

- The rich need to chip in more. While Australians often insist that they don’t have a problem with how much tax they contribute, they frequently express disapproval with how that money is spent. They also often argue that big business and wealthy households use their resources to get out of paying their share.

Chapter 5

The challenges ahead

- How will we manage with all the people? Population growth and aging were seen as major threats to Australia’s future prosperity. With cracks in the system already appearing, participants were wondering how they will cope with the demands of a larger and older population.

- We have to learn how to take better care of ourselves. Australian’s sense that ‘she’ll be right’ - no matter what difficulties are thrown at them - has been undermined by the realization that current and future governments can no longer be relied on to provide them with financial support during lean times. For some this is a driving force to ‘get their lives in order’ and put some plans in place for a healthy, happy and financially secure future.

- We want governments to plan for our future. Australians are yearning for leaders with long-term vision and plans to address the nation’s social and economic issues and invest in Australia’s future.
Setting the scene: Australia’s economic unease

“Jobs are disappearing. These days you’re lucky if you’re in full-time work.”

An understanding of Australians’ concerns about the health of the economy provides an important backdrop for more specific discussions around social inequality, including beliefs regarding its causes, victims and possible remedies. This chapter provides a broad overview of public sentiment around the direction the national economy appears to be taking, their growing anxieties around job security and under-employment, as well as the complex and sometimes contradictory mix of emotions that stem from this.
1.1 These are trying times

Over the last few years, The Mind & Mood Report has painted a bleak picture of community sentiment around the health and trajectory of the Australian economy. There has been a great deal of anxiety about finances – not just around the state of individuals’ personal bank account balances, but around the financial stability of their employers and the nation as a whole. People from all walks of life have been noticing signs of financial struggle and economic decline all around.

*I feel frightened because people are working and living by their wits... I’m just frightened for our basic living standards and the future of Australia.*

Interestingly, the level of concern over the past 12-18 months has been stronger and much more widespread than it was during the height of the global financial crisis. Throughout 2009 it appeared that consumer sentiment was largely dictated by feelings about job security; as long as people felt safe in their jobs, they were largely optimistic. There was very little talk of recession, and many acknowledged that, thanks to low interest rates and a stronger Australian dollar, salaries were stretching considerably further than in previous years.

*[The GFC] hasn’t really affected me. I didn’t lose my job or anything. Actually I think we made money from it, with the $900 [stimulus payout].*

But by 2013, the mood had darkened substantially. Work was slowing down across a wide range of industries and professions and the threat of cutbacks and closures was affecting the confidence of a much larger cross-section of study participants.

*I was just out with some people at the weekend and they work in banking and they were talking about how many of their friends have lost jobs that have got young kids. People are feeling pretty uneasy.*

In June 2014, unease about the Australian economic and employment trajectory jumped even higher. It appeared that the 2014 Federal Budget proposals had failed to soothe consumers’ concerns about the lacklustre economy. Instead of coming up with a plan to ‘fix’ the sluggish economy as many hoped the new government would, participants feared that the specific measures announced in the newly elected government’s first budget would do more harm than good. The government was accused of putting more pressure on those who were already struggling and plans to reduce access to the age pension and unemployment benefits appeared to trigger a new wave of uncertainty and angst about job security.

Since then, anxiety has only intensified. Mind & Mood October 2014 describes ongoing worries about the demise of the manufacturing industries in Australia and the closure of retail stores due to high rents and slow traffic – both considered signs of a struggling and mismanaged economy. In regional areas, there has been much talk about the boom and bust cycles of mining and the sustainability of local economies.

There was a view that people who relocated to mining towns in search of lucrative work were actually putting themselves at risk of long-term unemployment and poverty.

With all this worry about the current and future state of the economy, the public was left asking – where is the long term plan? Where is the investment into the Australia of tomorrow?

*We send everything off shore because it’s too expensive to do things here. What are people going to do? We’ve been mismanaged. For the population we have and all of the resources, we should be doing a lot better.*
The Economy

According to the monthly *Ipsos Issues Monitor*, concerns around the economy have climbed steadily over the past few years. At the start of June 2015, 46% of respondents cited the economy as one of the top three issues facing the nation [compared with 20% at the start of 2012].

![Economy graph]

*Source:* Ipsos Issues Monitor. Respondents are asked: ‘What would you say are the 3 most important issues facing Australia?’ BASE: n=1000 Australians aged 18+, surveyed monthly.

1.2 Our biggest worry is jobs

Over the past five years, job security has been a top of mind issue for Australians. Initially concerns were isolated to certain sectors and regions; for example, when the global financial crisis hit, the financial sector was under immense pressure but ongoing skills shortages were reported in a number of other areas such as trades, mining, health and education.

By the start of 2013, senior managers through to junior staff from a wide cross-section of professions and industries were starting to feel rather vulnerable. Throughout the year, horror stories were shared about mass redundancies and businesses of all kinds struggling to stay afloat. Even public servants, previously seen by Mind & Mood participants as untouchable, were thought to be in the firing line. It was felt that cut-backs and organisational restructures had left government employees just as vulnerable as people who worked in more traditionally volatile private sectors.

What we are going through in big corporates, the downsizing and restructuring, exactly the same thing is going on in government. We are all headed down the same track.

The prospect of losing one’s job and having trouble replacing it or only being able to find work at a lower level of skill or pay has been a significant cause of anxiety for many, but especially for heavily mortgaged young families, people approaching retirement and those living in rural Australia where options were especially limited. There has been a lot of discussion in the fieldwork about how the emotional and financial stress caused by unemployment has been putting a great deal of pressure on marriages and families, sometimes resulting in relationship breakdown, domestic violence and mental illness.

It can cause broken marriages if you’ve lost everything. The stress is terrible.

Rick’s self-employed. He’s always a nervous wreck because he has to make sure the work’s always coming in. If there’s no work for a day, you’re not just not making money for the day, you’re losing money. It’s constant worrying.
Community perspectives on social inequality (2005-2015)

Particular concerns have been expressed by people with short-term or casual work contracts. While admitting that their work arrangements had a number of potential benefits - such as less responsibility and better hourly pay – they offered no guarantees around how much, or for how long, work would be available. Some complained of being treated poorly in the workplace but were reluctant to speak up for fear that they would not be called back to work.

"Our worry at the moment is work. We're all replacement teachers and we've hardly had any work this year. It's quite difficult at the moment. The retirees are coming back and taking our jobs."

On top of their worries around their ability to hang on to their jobs, participants have reported increasing pressure from their employers to give up benefits such as RDOs or to take on extra work without additional pay. For some, the encroachment on family time was just as, if not more worrisome, as the lack of financial compensation.

"My mob is looking at changing things. We work every second Saturday now and they are looking at getting us to work every third Saturday. We will have to make the hours up during the week because they don't want to change the pay. We have to work an extra four hours a month."

Job insecurity

In an Ipsos Iview omnibus survey conducted in May 2015, 44% of those who were currently working were worried about losing their job due to economic conditions in Australia. Two in three (69%) believed that government benefits would not be enough to support them if they became unemployed.

44% of those who were working were worried about losing their job due to economic conditions in Australia.

69% believed that government benefits would not be enough to support them if they lost their job.

Source: Ipsos I-view online omnibus survey, May 2015. Respondents were asked: To what extent do you agree or disagree with the following statement? ‘I worry about losing my job due to economic conditions’ ‘If I were to lose my job, government benefits would not be sufficient to support me until I became employed again’ (BASE: those who were working, n=569).
1.3 Our leaders don’t get it... they’re only making things worse

The emotional response to Australia’s precarious economic and financial circumstances has been complex and contradictory. At times, the dominant reaction has been resentment towards those who they felt were contributing to the nation’s economic woes.

Big business has copped flak for a host of sins such as sending jobs off shore, replacing Australian made goods with cheap imports, installing self-service checkouts and ‘screwing over’ local suppliers and farmers. Whilst consumers have welcomed the drop in retail prices enabled by these cost cutting practices, for some the penny has dropped that this must be costing local jobs and is potentially harmful to the Australian economy overall. Some participants have been up in arms by what they described as a lack of regard by big business for such issues as the local economy and employment.

Everything’s being imported... Nothing’s made here anymore and it’s a problem.

That’s exactly why I won’t go online to do the banking. If everyone goes online they’ll close the bloody banks. This is one thing I feel very strongly about. Businesses shouldn’t be allowed to do this.

Someone down the line has to pay. Woolies never lose. Coles never loses. The farmer loses. The company making the stuff loses.

Anger and resentment has been directed at companies reporting record profits or paying huge executive salaries at a time when many Australians are worried about the security of their own jobs. Some participants have also been horrified by the amount of money spent by companies on extravagant events, conferences and Christmas parties – money that they believe could have been used to save jobs or provide pay increases to those who need them most.

It wasn’t last year, it was the year before last, right after the Global Financial Crisis went nuts and Macquarie Bank had this humongous, expensive, lavish Christmas party on a little island off Sydney coast. There were lots of issues in the news about it because they had just fired a reasonable percentage of their workers.

However, the lion’s share of blame for the state of the national economy has been directed at governments past and present. Of course, this is not a new phenomenon; complaints about politicians – their lies, their selfishness and lack of long-term vision – have been prominent in Mind & Mood Reports for many years. A particularly strong theme throughout 2014, however, was that the newly elected federal government had no understanding or empathy for the concerns and challenges faced by ‘ordinary’ Australians. As will be discussed in the following chapter, stories of financial struggle have been commonplace over the past 18 months and there is anger at politicians, business leaders and economists who try to gloss over these hardships. As just one example, the comment made in 2014 by the Federal Treasurer, Joe Hockey, that low income households would not be affected by increased taxes on fuels because ‘the poorest people either don’t have cars or actually don’t drive very far’ triggered widespread fury and cemented fears that the country’s leaders do not have a clue about the challenges and concerns of Australians.

Over the past few years, specific worries have been expressed about the impact of the Temporary Work (457) visa program on employment opportunities for Australians. As well as feeling threatened by the ongoing influx of workers seeking jobs that were drying up, some participants in the Mind & Mood research have expressed concern that new migrants might be inclined to accept wages and conditions that local residents would refuse, leading to the erosion of standards for everyone.

All those 457 visas are not helping one bit. They’re letting people in to work, when there are not enough jobs here for everyone else.
Community perspectives on social inequality (2005-2015)

Why does the government allow this? People come in on these visas and take our jobs. We’ve got too many people, don’t you think?

More broadly there were complaints about the government’s priorities and their perceived tendency to interfere on issues that are better left alone, whilst failing to regulate in areas where guidance was really needed.

They won’t interfere with greedy big business, but they’ll interfere no worries with the taxi industry and make it impossible for owners to stay in business. What is this?

They’ve got to put a stop to big business sending all the back room operations off shore.

1.4
When the going gets tough, the focus tends to shift inward

In Mind & Mood April 2014 it was reported that consumer interests had shifted away from the state of the national economy and towards their personal lives. Whilst the problems of the last few years had not gone away, it seemed there was far less interest in talking about them. It was as if participants’ attention had shifted to the aspects of life that people felt they were more able to influence – their health, the kids, their relationships and their personal budgets.

Now I’m lucky if I read one page of the Herald. I can’t be bothered... I just don’t want to think about all that other stuff. Like I just want to go into my own little circle, my little bubble and not think about it anymore.

Whilst this inward focus can make society seem uncaring and even callous, it is also a very human way of coping and this pattern has been seen many times over the past 37 years. When the going gets tough, people tend to insulate themselves from global affairs and the problems faced by ‘other people’ to focus on their own lives and the things they feel they are better able to control.

As Hugh Mackay wrote in The Mind & Mood Report’s wrap up of 2003, ‘the easiest way of dealing with a difficult and complex national agenda is to disengage from it. This is human psychology at its most transparent: we want to feel better about ourselves, so we try to ignore the things that might make us feel worse. Detachment from social and political issues also takes the form of increased self-centredness, prejudice and intolerance of ‘outsiders’ and can manifest as a strong urge to protect our own patch.’

However, human psychology is complex. Whilst the first few months of 2014 were largely characterised by detachment, the 2014 Federal Budget seemed to trigger a fresh wave of sympathy towards those who were genuinely ‘doing it tough’. According to an I-view survey undertaken in April 2014, 70% of respondents believed the burden of the budget would not be shared equally across society.¹ Qualitative research conducted seven weeks down the line also suggested that participants were worried that the Budget was taking too much away from the young, the older and the more vulnerable in our society (more about this in Chapter 3).

I think he’s [PM] targeting the wrong people – the elderly and the young.

¹ An I-view Omnibus survey of n=1000 Australians was taken a week after the announcement of the federal budget in 2014.
Stories of financial struggle and hardship

“I feel frightened because people are working and living by their wits… I’m just frightened for our basic living standards and the future of Australia.”

Poverty is rarely discussed spontaneously by the participants in the Mind & Mood research and it is suspected that many would have difficulty drawing a clear line between ‘doing it tough’ and living below the official poverty line. However, there is a widespread belief that a rising proportion of Australians are struggling financially and that being in full time employment is not always enough to protect against financial hardship and poverty.

This chapter explores concerns, fears and personal experiences with financial struggle. It also sheds light on Australians’ views of and sympathies towards groups in society who are thought to be most vulnerable to poverty in the current economic environment.
2.1 We’re struggling to keep up with the bills

The cost of living has been on the minds of the Australian public for much of the last decade, with many insisting that it has never seemed so expensive just to live an ordinary life. Despite reports that have shown that the average cost of living in Australia has decreased, participants in the Mind & Mood research have been complaining bitterly that their day-to-day living expenses were rising at an alarming speed whilst their post GFC salaries remained in a holding pattern. Living one pay check to the next, some have found themselves slipping deeper and deeper into debt with little hope of being able to find a way out, let alone get ahead.

It's like, how hard do you have to work these days just to survive?

You think you're on top of things, then along comes another bill that sets you back.

For many participants, the biggest drain on the household budget has been rent or mortgage payments, with recent cuts in interest rates failing to compensate for the huge jump in house prices – especially in the big cities. Increasing competition for low cost rental accommodation has been a key concern for students and low income families.

It’s not just that houses are so ridiculously expensive to buy, the rent’s crazy too. Around here it’s $1,600 a month for a shithole. I can't see how we can possibly pay rent and save for a deposit at the same time.

The landlord wants to sell and they're kicking us out. It makes me feel sick just thinking about it – it’s so hard finding a decent rental that is even vaguely affordable.

Utilities have been another widespread and largely unavoidable source of pain. Over the past four years or so, participants in the Mind & Mood research have expressed alarm at how much their electricity, gas and water bills have increased. Whilst this has been partially attributed to the introduction of the carbon tax in 2012, there was also a view that industry deregulation had enabled utility companies to take advantage of customers. Bills have remained high despite the repeal in July 2014, and some believed that the highest rates were often in areas that didn’t have the resources or know-how to complain.

Electricity bills are going up. Our bills are going through the roof. The last one went up from $600 to $900.

Man 1: There was this story on A Current Affair showing how you pay differently for electricity depending on what suburb you live in. They slug you when they know the lower income earners are at home. I am dreading that Smart Meter being put in at my home.

Man 2: Western Sydney gets screwed and the rich people don't pay as much.

Participants have reported that keeping their car on the road was becoming increasingly challenging with the cost of registration, insurance and petrol all going up and further increases predicted to take place in the near future. Families have also complained about the rising cost of fresh food, sometimes arguing that the cost of produce was forcing them to turn to cheaper and less healthy convenience foods for their kids.

To buy the meat we used to eat when we were growing up, well now you’ve got to be a multi-millionaire to buy it.

But for many families, their biggest expense was childcare. Indeed, the struggle to cover the fees has left them (mothers in particular) questioning the value in going back to work before the children reach school age.

I've got a lot of friends who have got young kids and they are educated and they have got qualifications and they want to be back out there working. But it just doesn't make sense for them to do that… Like [the cost of childcare] just negates even going [back] to work in the first place.

With books, technology, uniforms, extracurricular activities, camps and excursions, educational expenses could also be frighteningly expensive, even for those with kids enrolled at their local government school.

Every kid has to have a laptop for school. And at primary school they’re supposed to have an iPad. The grade 5 camp was nearly $400. This isn’t some posh private school I’m talking about – it’s the local primary. It’s killing me – I have absolutely no idea how people on really low incomes are supposed to find that kind of money.
According to the Ipsos Issues Monitor, cost of living concerns declined slightly between mid 2012 and early 2015. As of early June 2015, however, 20% of Australians still saw cost of living as one of the top three issues facing the nation.

Source: Ipsos Issues Monitor. Respondents are asked: 'What would you say are the 3 most important issues facing Australia?' BASE: n=1000 Australians aged 18+, surveyed monthly.

It feels like costs have gone up, but our wages have stayed much the same

One of the factors intensifying criticism about the cost of living in Australia has been participants’ experience of the prices of goods and services overseas. They have asked themselves: with the Australian dollar so strong why are we paying so much for everyday items compared with Americans, Asians, and Europeans?

Everything is so expensive. After moving back from Hong Kong two years ago, I can't believe how expensive everything is.

I bought sandshoes in America, same brand. Ninety dollars there, $150 here. And our dollar is stronger.

Whilst it is acknowledged that Australians are often paid much more than their foreign counterparts, the focus of conversation around kitchen tables across the nation has been on the apparent stagnation of wages here. Many participants have complained they are long overdue for a pay rise, but concerns around job security have kept them from broaching the subject with their employers.

Woman 1: You should say 'if you don't give me a pay rise I'll leave'.
Woman 2: But they don't care. There are plenty of people who'll work for even less.
Woman 3: They've got all these people coming in from overseas. They'll take your job, no worries.
My boss would say 'there are people out there who will do your job for half the price'.

Those who have been lucky enough to receive an increase in recent years grumbled that it has not been enough to cover their rising living expenses.

Your wage rise might be 50 cents, but what about the cost of living. What about rates – they're outrageous. It's not fair.

But whilst it is unlikely that many Australians would turn down a substantial pay rise, earning more money wasn't always seen as the solution to their financial woes. Some participants felt that the more people earn, the more they tend to dish out in taxes and expenses. They also recognised
that sometimes the people who are asset rich are the ones who struggle the most to manage their finances. Some felt that the more people earn, the more vulnerable they are to debt.

*People earn $100k and they spend $150k.*

A lot of people live above their means. The more they get paid, the more access they have to credit. They just end up in more debt.

2.3 The pain is not shared equally

The rising cost of living against a backdrop of concerns about job security and the apparent stagnation of wages appears to have affected Australians in different ways. For some of the more affluent participants in the research, increasing costs and wavering job security have forced them to re-evaluate their lifestyle. Some have discovered they can no longer fund the way of life they were used to in better times and were looking for ways to cut back on their expenses (such as changing schools, and putting a hold on home renovations and international travel). But whilst often resentful, disillusioned and unsettled by the recent changes in their circumstances, they also acknowledged that part of this stemmed from having high expectations around their standard of living.

*I used to think we were among the ‘haves’: One fellow I went out with had a yacht, and we’d go out to dinner all the time, but there are more expenses now I have children.*

For others, a sense of despair has begun to set in. In the fieldwork for several recent *Mind & Mood Reports*, men in their forties and fifties shared their frustration that life wasn’t turning out quite the way they imagined. They openly talked about growing up believing that they would buy their dream house by the time they reached middle age and have it paid off before retirement. Instead, they were finding themselves working harder than ever before whilst sinking further and further into debt. Some were starting to worry that they would never be able to pay off their mortgage let alone save enough for retirement and the fear of losing their job has been palpable.

*My main objective was to buy a house by the time I’m 40, that I could pay off before retirement and have some security. But that’s not going to happen and it’s scary.*

*They’re not going to have the pension by the time we get there, but we won’t have paid off our houses either. So what the hell are we going to do? I’ve busted my arse all my life and I’ve made nothing from it.*

For others, families in particular, the impact on their lives has been even deeper and more unsettling. Struggling to keep up with their bills, some participants have spoken of the stresses of living from one pay packet to the next – never entirely confident whether they will have enough to cover the basics for their family. Things like health insurance, trips to the dentist, super top-ups and car maintenance have been reclassified as luxury items and dropped to pay for the sorts of services that they cannot manage without (such as their rent or mortgage payments, childcare and utility bills). Stress levels have been very high and these participants have been talking about the impact on mental and physical health and the strain on family relationships.

2.4 But whatever our own situation, there are many others worse off

Some of the participants in the *Mind & Mood* research can relate on a personal level to the idea of financial stress. They describe the sickening feeling they get when they receive a bill that they haven’t budgeted for. They understand how it feels to have an empty savings account and hopelessly inadequate superannuation. They know the disappointment of not being able to save for the deposit on their own home at the same time as paying rent. But, for the time being at least, and for as long as they have work, they generally acknowledge that they are still ‘doing ok’. Anxious perhaps, but not exactly impoverished.

*We complain and winge that we have no money, but look at how we’re living. Everyone’s got a mobile phone. Every room has a flat screen [TV].*
Participants often comment that there are plenty of people in Australia who are substantially worse off than they are. Indeed, in the present rather bleak environment in which it has recently been announced that approximately one in 10 Australians live below the poverty line, it seems that some are becoming more conscious of the number of people who are slipping into ‘real’ poverty and associated problems such as homelessness - with little hope of being able to find a way out.

There seems to be more poverty now, like you see people living on the streets with their entire belongings in plastic bags, and homeless young men, when it used to be only alcoholics.

Everyday I walk around the streets of Sydney, the inner city and I see homeless people. I see poverty…people less fortunate than me.
The emergence of ‘two Australias’: perspectives on social inequality

“With this new budget what worries me is that we're creating an even broader class system in our society.”

In recent years, Australia’s economic challenges have shaken the confidence of many and coloured perspectives on life in ‘the lucky country’. Participants’ sense that ‘she’ll be right - no matter what difficulties are thrown at them - has been undermined by the realization that current and future governments can no longer be relied on to support us in times of trouble. And as the gap between the top and the bottom ends of the economic spectrum seems to grow wider, middle Australia has become increasingly fearful of being unceremoniously ejected from the happy-go-lucky land of the ‘haves’ into the overcrowded camp of the bitter and resentful ‘have-nots’.

This chapter explores the belief that the gap between the ‘haves’ and the ‘have-nots’ is widening, participants’ disappointment in government’s failure to try and close it, as well as growing concerns that Australia’s youngest and oldest citizens are at very high risk of falling through the cracks.
3.1 Are we still in the lucky country?

For the past 10 years, participants in the Mind & Mood research have alternated between two conflicting but equally relevant points of view about life in Australia. On one hand they have been largely unwavering in their view that Australia is still the land of opportunity. Cities are expanding, but still feel relatively safe. Health care and education systems, whilst flawed, are still seen as better than those in many other parts of the developed world. Even the nation’s weathering of the global financial crisis with less drama than most other developed nations seems to have reaffirmed the country’s position as a land of relative prosperity and privilege.

Most participants still feel lucky to call Australia home and would rather be living here than anywhere else in the world.

*We have our problems but this is still the best place in the world.*

On the other hand, there is a widespread view that Australia has become a rougher, tougher, less caring place to live. Over the past 10 years, participants have consistently reported rising levels of anxiety and irritability – all associated with what is assumed to be increasing tension in the community. They have reminisced about the ‘good old days’ when Australians were more caring and sharing beings, when society was underpinned by a more coherent feeling of community than experienced in today’s hectic life.

*We’ve become a nasty society where we just don’t give a rat’s about other people.*

*I believe we have become a very selfish society and we’ve lost a lot of values in that way.*

3.2 We believe in our right to ‘a fair go’, but we don’t always feel that we get one

The idea of an egalitarian society and the right to ‘a fair go’ is one that Australians hold dear. Whilst they are often scornful of those who hitch a ride on the coat tails of others’ success, they also love the idea that hard working, business savvy tradespeople and entrepreneurs have been able to achieve the same level of financial success here as many university trained professionals.

Whilst sometimes wary of newcomers, many Australians are immensely proud that hard working immigrants have been able to arrive in the country with virtually nothing and build a whole new life from scratch. The values of fairness and equality are often seen as being at the heart of what it means to be Australian. This is a country where everyone who is willing to put in the effort should be able to make a decent living.

*We give everyone a fair go. We have a fair go attitude.*

*Fair go. Mateship, helping each other … it is a strong Australian value.*

Increasingly, however, some participants in the Mind & Mood research have been questioning just how egalitarian and fair Australian society actually is. Despite the firm belief that everyone should get an equal start to life and an equal chance to succeed, they admit that reality looks quite different. They admit that Australian society is, in actual fact, a very unequal society where some people enjoy obscene wealth and privilege while many others struggle to survive economically.

*Mind & Mood 2005* reported a growing sense of disillusionment and even despair amongst those who perceived themselves to be positioned in the bottom half of Australia’s economic heap, fuelled by their belief that the gap between the top and bottom of the heap was widening. Such an attitude was not necessarily based on direct factual evidence,
but rather a sense that two Australia’s were emerging – ‘the haves’ and the ‘have-nots’ – or perhaps that Australia was becoming a three-tiered society in which the middle class was being squeezed between unprecedented wealth at the top and increasing difficulty at the bottom.

I’m not usually very political but I reckon the class distinctions are getting wider.

The middle class will be sundered. It will be a very few rich and the rest of us will become working class again. That’s what they reckon.

This sense of a growing chasm between rich and poor in Australia appears to be driven by two key factors. First, the appearance of more obvious wealth - as revealed in ‘flashy cars’, extravagant beachside homes and in stories of fabulous salaries being earned by senior executives – at a time when the rest of Australia has been feeling extremely anxious about job security. Second, the sense of an emerging ‘underclass’ consisting of people who are locked into welfare dependency due to factors such as poor health, disability, family breakdown, drug addiction or long-term unemployment. These two factors are becoming so prominent in participants’ thinking about their own society that they pose a serious challenge to the idea of Australia being an essentially middle-class society. There is now a widespread belief that both rich and poor Australians are becoming more numerous and that if the gap between them grows much wider, it may well turn out to be unbridgeable.

The gap is going to get worse. There are going to be more underprivileged people. And the elite will be the super-elite.

The future of Australia? The rich will get richer and the poor will get poorer.

Social Inequality

In an Ipsos Iview omnibus survey conducted in May 2015, 73% of respondents felt that the gap between rich and poor was getting wider and 58% felt that having large differences in income and wealth is bad for society.

Whilst significant differences were not found as a function of reported income, those who had received a disability pension in the last five years were especially concerned about the gap between rich and poor.

73% think the gap between rich and poor is getting wider

58% believe having large differences in income and wealth is bad for society

Source: Ipsos Iview online omnibus survey, May 2015. Respondents were asked ‘To what extent do you agree or disagree with the following statements: ‘the gap between the rich and the poor in Australia is getting wider’; ‘having large differences in income and wealth is bad for Australian society’?
3.3 There was nothing fair about the 2014 Federal Budget

Concerns around social inequality were heightened following the delivery of the 2014 Federal Budget and appear to have remained strong ever since. In the Mind & Mood 2014 Spotlight on Consumer Sentiment after the Budget, participants questioned whether reductions in public spending were targeted at the right people and the right areas. Whilst Australians had been bracing themselves for heavy cuts (some of which were deemed necessary and desirable), there was a widespread feeling that this Budget was taking support away from groups in society who were most vulnerable – the young, the old, and the sick – whilst propping up the privileged even higher.

They are just taking the money from wrong areas. They are taking it from the areas that really need it like education and health and making it harder. There could be other areas that they could take the money from.

My point on the budget personally is that it's the low and middle income families that are the ones getting hurt. As well as the pensioners. People who are happy to work, not looking for a free ride.

Even those who felt the proposals wouldn’t affect them personally were quite concerned about its impact on other groups in society. Many described it as an unfair Budget that would create more inequality in society.

I don't think there's going to be a huge negative effect on [my] family but I can see that a lot of families will be affected and that bothers me.

[There's] mass unemployment, 13% or 14% at the moment. And yet they are making it even harder to get on the dole and have those safety nets in places for people who generally need it.

They didn't hit business. They didn't touch super. They made these easy cuts on outgoings and haven't made any real reforms.

3.4 The future looks bleak for our young people

Over the past few years of Mind & Mood research there has been a shift in sympathies towards young people, and in particular, young job seekers. Instead of complaining about Generation Y and their expectation that everything will be handed to them on a platter (as they so often did in the past), participants have recently acknowledged that finding full time work can take a long time in today’s ultra-competitive market and that some youngsters will face dozens, if not hundreds, of knockbacks before they get their first break. Parents have spoken specifically about an ongoing shortage of good quality apprenticeships and graduate opportunities for their kids.

It's very, very hard for the young generation. It's really hard. Look how we're struggling – they don't stand a chance.

When I was young if you didn't like your job you could just go and get another one. You'd go from one factory to the next. There was always a job if you were willing to work.

Whilst those who have the least education and experience were thought to be most at risk, possessing a formal qualification is no longer seen as a guarantee of finding a job. Indeed, conversations around rising youth unemployment have often morphed into broader concerns around the deregulation of university fees and debates about the value of getting a degree. The idea that young Australians would be hit with significantly increased higher education fees - on top of the difficulties they face getting into the jobs and housing markets - seemed especially unfair.

Many participants have questioned how young people would ever be able to afford their own homes, let alone start a family, when faced with such limited job opportunities, little job security and a potentially massive university debt.

Housing affordability is such an issue for the young. When we were buying houses there was a lot more job security. Nowadays there are no guarantees.

My kids want to go to university. It’s going to cost them a fortune, it’s like a mortgage. Unless I help them, this generation has no chance. How can you afford a $100k HECS debt and then take out a mortgage? It's impossible.
Community perspectives on social inequality (2005-2015)

One major concern on the minds of older Australians is whether they will have enough superannuation to live on, especially in the absence of any additional government support. With the likelihood of receiving any kind of aged-pension diminishing each year, participants often wonder how they will cope.

Older people won’t be able to afford a thing. We’ll have to go back to candles.

Not surprisingly, the proposed changes to the pension eligibility age announced in the 2014 Federal Budget triggered further angst and upset. Participants worried that whilst some people may want to continue working into their seventies and beyond, others would have no choice but to stop working due to illness, injury or discrimination. What are they supposed to do if they can’t keep working until they are 70 and can’t access their super or the pension?

According to the Ipsos Iview omnibus survey conducted in May 2015, 68% of respondents felt that first home buyers were being pushed out of the housing market by wealthy investors.

Interestingly, this belief was more prominent amongst people aged 50 and over than it was for those under 30 (75% vs 56%). This aligns with findings from The Mind & Mood Report that suggest Baby Boomers are more preoccupied with their offspring’s chances of buying property than young people themselves. This is not to suggest that young people don’t care about whether or not they will ever be able to buy their own home. Rather, they are more focussed on the things that are impacting their lives right now: getting through their studies, moving out of home, kick starting their careers, relationships and travelling. As they head towards their late 20s and early 30s, attitudes amongst young people seem to splinter: some resign themselves to the likelihood that they will never be able to buy a home of their own and focus on other issues, whilst others are determined to find a way and focus on strategies to make home ownership possible (for example, buying an investment property with friends or moving back in with their parents so they can save up a deposit).

3.5 What will happen to us when we’re old?

Doubts about the future existence of pensions and the adequacy of superannuation have left many of the participants in this research feeling pessimistic about what it will be like to grow old in tomorrow’s world. Concerns have been expressed that the risk of falling irretrievably into poverty will increase substantially as they get older.

I’m [40s female] self-employed and I haven’t put any money away for super. I’m really worried about what I’m going to do. I don’t know how I’m going to survive.

Both my husband and I work full-time and we struggle now. What’s it going to be like when we retire?

Source: Ipsos Iview online omnibus survey, May 2015. Respondents were asked ‘To what extent do you agree or disagree with the following statements: ‘first homebuyers are being pushed out of the housing market by wealthy investors’?”
This is not right. I'm too broken down to keep going until I'm 70. My arthritis is that bad already.

Many also questioned whether jobs were readily available for those over 55, wondering if age discrimination in the workplace would make working until 70 hard even for those in ‘non-labouring’ industries. In the 2015 report *Our Ageing Population*, participants spoke of the value of tapping into the experience and skills of an ageing, reliable and well-seasoned workforce but worried that employers would succumb to temptation to hire younger, tech-savvy labour with more progressive ideas.

*There are older people who want to work, but their employer won’t accept them. Will they want you or will they want new blood?*

Others questioned the logic behind ‘forcing’ older people to stay in the workforce when there are so many young people struggling to find gainful employment and proposed that the broader impacts on the economy could be severe.

*You’ve got older people needing to stay longer in the workforce. It’s not their fault, but it means they’re not making way for the young people coming through.*

*Where are the taxes going to come from if young people can’t get the jobs?*

As discussed in more detail in Chapter 5, concerns have also been expressed more broadly about the availability of affordable, high quality aged care as well as services and supports to help people maintain their health and independence as they get older.
Who deserves help and who should provide it?

“One of my relatives fried his brains from way too much speed and he’s useless now, he’s on a disability pension. I don’t reckon that’s fair. He is the way he is now because of his own stupidity."

Whether they like it or not it seems that most Australians believe there is a need for greater self-sufficiency and less reliance on the government for support. Anxiety about the level of national debt has been building over the past few years and some participants believe that the only way for the country to ‘get back on track’ is for the government to cut back on public spending. That being said, providing a safety net for those in genuine need is still seen as an essential aspect of our society.

This chapter discusses Australians’ attitudes towards the provision of social support, as well as their views on which groups in society ‘deserve’ a helping hand and which they feel should be ‘chipping in more’ to provide it.
4.1 Are we softening our attitudes towards job seekers?

Attitudes to people who are unemployed appear to have become more empathetic in recent years – no doubt due to growing concerns around job security and the realisation that more and more Australians could find themselves out of work and struggling to find a replacement. In today's jobs market, virtually everyone is considered at risk.

*If you fall off the wagon or lose the momentum of what you're doing, it's harder to catch up again now. It's more difficult to swap and change jobs these days and keep the same standard of living.*

There is widespread recognition that finding and keeping permanent full-time work in today's competitive jobs market isn't easy for anyone – but especially for those who are young, old, inexperienced, unskilled, sick or in some way disabled. In this context, sympathy for people who find themselves out of work for extended periods of time seems to be growing. Demeaning labels like 'dole bludgers' have been used less frequently in the last few years of the Mind & Mood research to describe people who sign up for unemployment benefits.

*One of our neighbours lost his job three years ago. He's had a bit of part-time work, but it looks as if he is never going to get back into the sort of full-time job he wants. You can see the worried looks on their faces... it's only a matter of time before they will have to sell up and move somewhere smaller and cheaper. They are on a downward slide, through no one's fault.*

4.2 Families of all shapes and sizes need a helping hand

Large families, single income and sole parent families are all associated with high levels of financial struggle and stress.

*I am a full-time worker. Half of my salary goes to rent. I am a single dad and I have food to buy, bills to pay. It is pretty much impossible. I am behind the eight ball every week. Mortgages, car costs and electricity, which everyone is freaking out about at the moment...*

*If you are a single mum, you can find yourself relying on a pension or a bit of part-time work. You can very quickly find out how the 'other half' lives, because you become part of it.*

Over the past few years, stories of family violence and its psychological and economic impact on women and children have become increasingly common in the Mind & Mood research, although it is not clear whether this is related to increased awareness or an increased willingness to discuss this topic openly. Either way, there seems to be recognition that victims who flee from a violent relationship are extremely vulnerable to poverty and homelessness. Recent cuts to funding for women’s shelters and family violence support services have been described by some participants as appalling.

*I don't get it. They cut off funding to all these women's shelters then they go and make Rosie Batty Australian of the Year.*

But even relatively well-functioning families with two working parents were felt to deserve support. Some participants in our research have been in arms about decisions to drop payments such as the school bonus and tighten eligibility for family tax benefits.

4.3 We feel for people trying to get by on a pension

People with a disability who are unable to work have also been described as a group that is at high risk of discrimination and poverty. In the 2014 Mind & Mood report, *Perspectives on Disability*, participants spoke of the struggles faced by people with a disability or chronic illness in accessing essential services and support due to lack of funding.
Concerns extended to the difficulties people had living off a disability support pension if they were unable to work, as well as the financial burden placed on family members who cared for them.

*You’re always hearing the news that there’s never enough support for people with disabilities.*

*Families that are looking after a member that is handicapped at home should be getting some relief that is not keeping them in poverty.*

Interestingly, though, a distinction was made between people who were born with or acquired a disability through “no fault of their own” and those who were disabled as a result of their own poor choices. In the eyes of some participants, the former were deserving of both sympathy and support but questions were raised about whether the community should have to bear the burden of people who, in their view, brought their disability upon themselves. Accusations have also been made that some people “play up” the extent of their disability in order to get financial support.

**Man 1:** You hear those people who say, “I’m disabled because I’m an alcoholic”. They’re not really disabled. They are just trying to use that term to get some sympathy from society.

**Man 2:** My cousin managed to get himself on the disability pension. You know how much they get a fortnight? It’s like $600 or $700. He just sits back and collects it. They don’t make him go out and look for work, like they do on the unemployment benefit. It’s a rort…. There’s not even anything really that wrong with him. He just took too many drugs and now his brain’s a bit fried. It’s not like he was born with a full-on disability and he can’t walk or talk or whatever.

Overall, however, Australia was felt to be lagging behind other countries when it comes to supporting individuals who have a disability. Many blamed this on lack of funding, but there have also been concerns about a lack of specialist skills and thought leadership in the disability arena. Some felt that recent discussion around the National Disability Insurance Scheme has helped raise awareness of the lack of services and support for people who have a disability. Although there was still a lot of confusion and uncertainty around how the NDIS would work, there appeared to be widespread support for an overhaul of Australia’s disability support system.

Who should get financial support?

According to an *Ipsos Iview Omnibus* survey conducted in May 2015, there is widespread support for the government providing a financial safety net for age pensioners and people unable to work due to illness or disability.

The majority of respondents also thought it was important that the government provides financial support to people who are unemployed, single parent families, and average income families to help with the cost of children.

Of note, women were significantly more likely than men to feel that providing financial support to the unemployed, single parent and average income families was important.

There were also differences by age, with almost all (97%) people aged 50 or above believing that it is important to provide support to age pensioners (compared with 82% of 18 to 29 year olds). Interestingly, however, older people were less inclined than younger people to feel it is important to provide support to single parent and average income families.

(Graphic shown on following page.)
4.4
We need fair public health care

City dwellers in the Mind & Mood research have often praised the quality of service they have received in the public health system, especially if they or their child has had a significant illness or injury that required a trip to emergency. It has left some wondering ‘Why pay for private healthcare when we can get quality care for free?’

*When I did my ankle we went to Cabrini and I was like, ‘I’ve got private health’. They were like, ‘Yeah, it’s going to cost you $400 because it’s an emergency’. I went straight to Box Hill and it took a bit longer but I just waited and then it was completely all free.*

In regional Australia, however, the story can be very different. The biggest problem was often considered to be the long wait for specialist services and equipment, with tales being told of people waiting years for a new wheelchair or access to allied health. And whilst it is certainly not uncommon for people who live in rural areas to complain about having to travel for hours in order to see a specialist, they can also have great difficulty getting in to see a GP. For some older Australians and people with serious ongoing health problems, this has prompted them to think about ‘pulling up stumps’ and moving closer to a city where they can more easily access the level of health care they need.

*My son] grew out of his wheelchair and they told me, ‘Sorry, it’s a two year wait’. What am I supposed to do? Carry him?*

Regardless of where people live, the high cost of health care in Australia has been a concern to those who require long-term medication or regular tests or treatment not fully covered by Medicare. While having private health insurance could help reduce the waiting times (at least in the cities), the out-of-pocket expenses can still be huge. And of course, not everyone has been able to manage to keep up with their increasing insurance premiums.

*The cost of all the extras when you have an operation. Wow! Private health doesn’t cover very much. You still have to pay out thousands and thousands. Makes you wonder if it’s all worth it.*

% who believe it is important that the government provides financial support to...

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<th>Percentage</th>
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<tr>
<td>89%</td>
<td>Age pensioners</td>
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<td>85%</td>
<td>People unable to work due to chronic illness or disability</td>
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<tr>
<td>69%</td>
<td>People who are unemployed</td>
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<tr>
<td>66%</td>
<td>Single parent families</td>
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<td>60%</td>
<td>Average income families (to help with cost of raising children)</td>
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Source: Ipsos Iview online omnibus survey, May 2015. Respondents were asked ‘How important is it that the government provides support to the following groups?’
The 2014 Federal government proposal to introduce a Medicare co-payment ruffled feathers, especially amongst older participants trying to get by on a fixed income. Whilst some have argued that $7 was a small price to pay to stop people overusing and overburdening the already stretched health care system, others were concerned that even a small fee could discourage people who are struggling financially from seeking the help that they needed and called for changes to address groups of perceived disadvantage – young families, pensioners, and the chronically ill.

*I don’t personally have a problem with the $7 co-payment, I’m happy for my taxes to go towards health care even if I’m not sick, it’s certainly better than a lot of other things.*

The health system is going to go down with this new fee. People will say, well, I can’t afford to go this week, so their illnesses will just get more chronic. I don’t like the $7 co-payment, it’s not fair on the old people. It should be an age thing, over 65 is free and under 15 is free.

Some believed that this co-payment was just the first step in the government’s covert plan to dismantle Medicare and get rid of ‘free’ health care completely.

*They won’t just stop at $7 it’ll just keep going up (until) it gets to become like the US where you could be bleeding out of your head and they refuse to see you. But that’s where we’re headed. We’re not caring as much.*

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**Medicare co-payment**

The results of an *Ipsos I-view Omnibus* survey undertaken in May 2014 showed that the majority of respondents (57%) were opposed to a Medicare co-payment of $7 for a visit to a GP.

![Venn diagram showing the results of the survey.](image)

57% **supported**

29% **in favour of Medicare co-payment**

14% **don’t know**

*Source:* I-view online omnibus survey, May 2014. Respondents were asked *To what extent do you support or oppose the proposed Medicare co-payment of $7 for a visit to a GP?* BASE n = 1047 Australians aged 18+, weighted to the total Australian general population by age, gender, location and education.
4.5 The rich need to chip in more

Participants in the Mind & Mood research have issued a long list of grievances in relation to taxation. Interestingly, though, they often insist that the problem isn’t necessarily how much tax they are paying. Rather, their gripe is with the government’s rationale for increasing or introducing new taxes as well as how the revenue is spent. At the heart of these discussions was their doubt and cynicism about whether the tax proposed would solve the problem it was designed to address.

**Woman 1:** As a taxpayer, I find it really embarrassing. How is it working? Where is it going?

**Woman 2:** Where are our taxes bloody going? To the politicians’ bloody personal accounts? So they can lunch and go to the stripper clubs?

Annoyance has been expressed at the apparent hypocrisy in spending taxpayers’ money on campaigns and programs that discourage behaviours such as gambling, whilst continuing to profit from the organisations that facilitate the very same behaviour.

**Man 1:** The government says we’ve got a gambling problem, we’ve got an alcohol problem. Every second billboard you see is for alcohol and the TAB.

**Man 2:** Yeah, you drive past one for beer then the next billboard says ‘don’t drink and drive’.

Wastage of taxpayers’ money seems to be an even bigger cause of concern, especially at a time when governments are thought to be pulling funding away from much needed community services. Participants in the research often get worked up about money that is wasted on projects that fail or weren’t wanted by the community. They are incensed at the funds wasted on expensive and unnecessary government advertising campaigns. They are also frustrated at the apparent partisan mentality of politicians and their perceived tendency to abandon good policies and half finished projects just because they were initiated by the previous government.

**How stupid was that with the East-West link?**

I can’t believe they signed the contract three days before the election stating we will pay 3 billion or whatever if it doesn’t go ahead. They had no right to do that. Now we all have to pay.

If they taxed these companies and put the money into infrastructure, I don’t have a problem with that. But they are not. They are wasting it.

Some participants have said they would be happy to pay more tax – just as long as the money raised was used to create a better, more equal society.

**I’m happy to pay more taxes guys. I don’t want tax relief. I think government should get into debt because that is what they do. They look after their people. They don’t treat them like a commodity.**

However, nothing seems to rile the public more than the suggestion that large companies and wealthy individuals are using their position and resources to escape paying their dues.

**Man 1:** When you see the big boys getting away with paying one cent in tax, it’s terrible.

**Man 2:** They reckon Google doesn’t pay any tax in Australia. That’s disgraceful.

Some people are getting tax breaks and they are on to their second home, while people in our situation don’t get anything because we don’t earn enough and we don’t have any kids.

Once again, the blame for this was felt to ultimately rest with government and what the public often sees as their misguided priorities. Some wonder how they can take funds away from the most vulnerable people in our society, when what they should be doing is putting the brakes on negative gearing, cutting back on middle class welfare, and outlawing clever accounting practices that allow rich people to get out of paying their fair share of tax.

**What we need is real tax reform. A system that ensures that the very wealthy are paying a whole lot more.**

I think they should scrap negative gearing. I’ve said this for years.

**It’s the middle class welfare that gets me. They aren’t really middle class anymore, they are driving the $150,000 cars and they are getting a lot of rebates from the government.**
Interestingly, whilst participants have been critical of the current government’s apparent lack of interest in creating jobs for ordinary Australians, they have started to question the wisdom of government rushing in to bail out struggling businesses and industries. At the start of 2014 it seemed as though participants were coming to terms with the realisation that Australia is just one small player in a highly competitive global marketplace. It has been argued that if Australians want to maintain better than average wages and conditions, large-scale manufacturing was unlikely to have much of a future in this country. Some participants also felt that, by abandoning the mining tax, the government was favouring the super wealthy and powerful.

*For me personally, I cannot understand how you can’t sell a mining super tax on profits above a certain level, the obscene level. I don’t understand how you can’t sell that to the Australian public and the miners lodge this advertising campaign and they win.*

In a recent Ipsos Iview Omnibus survey of n=1,045 Australians, two in three respondents (67%) agreed that rich people don’t pay their fair share of tax in Australia whilst only 22% felt that the tax system is fair.

- **67%** think rich people don’t pay their fair share of tax
- **22%** think the tax system is fair

*Source:* Ipsos Iview online omnibus survey, May 2015. Respondents were asked ‘To what extent do you agree or disagree with the following statements? The taxation system in Australia is fair; In Australia, rich people don’t pay their fair share of tax.’
"We’re going to be the losers, our generation [in their 30s]. At the prime of our working life we will be shouldering the burden for a lot of our parents’ generation. And it’s not that we’re ungrateful for all the things that they’ve done but they could have had a little bit more foresight about a lot of things and systems should have been put in place a long time ago to deal with what’s going to happen."

The final chapter in this report describes what the community sees as being the greatest challenges to come for Australian society, including population growth, the need for greater self-sufficiency and their desire for a well-communicated, carefully considered long-term plan.
5.1 How will we manage with all the people?

Population growth, particularly from immigration, has been seen by participants as both a future opportunity and a future threat to Australia’s prosperity. Whilst some believed it was inevitable – and desirable – that Australia’s population would expand, there appears to be growing concern about the toll on our infrastructure and resources. Dealing with long commutes and a chronically overburdened health care system have already become the cause of significant strain. Some participants are concerned that, without appropriate planning and policies in place, further population growth could have dire consequences for the future quality of life in Australia.

We don’t have the infrastructure. Australia can’t handle it.

Infrastructure, resources and food need to be there first. With the taxes we pay, that should be guaranteed.

Infrastructure, resources and food need to be there first. With the taxes we pay, that should be guaranteed.

Look at Sydney now. The traffic, the expensive houses. There is not going to be enough room.

However these concerns are not just about dealing with more people; it’s also that our population is growing old. As reported in Chapter 4, current demands on health services are already seen to be putting strain on the system, particularly in regional Australia. Cracks have started to appear in health, aged care and social services and there is a widespread expectation that these will continue to widen under the weight of Australia’s growing and ageing population.

I look at my old man and it takes hours to go to the doctor, so imagine when 25% of the population is over 65. Imagine trying to go and see a doctor then.

The strain on the hospital system is going to be astronomical.

In addition to putting pressure on health services, an ageing population was considered to have key implications for Australia’s housing market. Older participants in the 2014 Mind & Mood spotlight report, Our Ageing Population, complained of pressure on them to downsize to free up housing stock for rising generations. However, a significant part of the motivation to stay in their own homes was due to the frightening image of aged care facilities being the stepping stone to death’s door, and often an expensive step at that. There were also concerns about a shortage of places in high quality, affordable facilities.

Imagine the nursing homes [in the future]. There’s not enough of them now.

One of my friends works in aged care, she said there’s so many people on waiting lists.

Over the last few years of the Mind & Mood Report there have been rumblings of a generational war over issues such as housing, the environment and the social safety net. Many participants predict that as our community ages, these generational tensions will intensify and that lower socioeconomic groups are the ones who will suffer most. There are also broader concerns that the federal government was not adequately investing in strategies to address the perceived increase in demand in the health care and aged care sectors.

I wonder if there’s going to be more income disparity because, like you’re saying, people who have tonnes of money can go into [nursing] homes and get taken care of and stuff but for low income families and communities they’re not staying in any fancy homes, that burden will be on the family and that burden is an economic burden.
Managing the costs of an aging population

In an Ipsos Iview Omnibus survey conducted in May 2015, respondents were provided with a list of options for managing the costs of an aging population and asked to nominate which ones they felt should be adopted by the government to help pay for the costs of an ageing population.

The four most commonly selected options are shown below, alongside the four least popular options. In essence, most felt that solutions rest with ensuring that the wealthy are contributing their fair share.

<table>
<thead>
<tr>
<th>Most popular</th>
<th>Least popular</th>
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<tbody>
<tr>
<td>61% find ways to prevent corporations from avoiding tax</td>
<td>10% reduce public spending</td>
</tr>
<tr>
<td>57% make sure people who are wealthy can’t receive the pension</td>
<td>8% increase the age from which people can access to age pension to 70</td>
</tr>
<tr>
<td>43% make superannuation tax concessions more fair by reducing the amount that goes to people on high incomes</td>
<td>5% reduce all safety net payments</td>
</tr>
<tr>
<td>36% increase personal income taxes for top 5% of income earners</td>
<td>2% reduce the age pension payment</td>
</tr>
</tbody>
</table>

Source: Ipsos Iview online omnibus survey, May 2015. Respondents were asked ‘How do you think that government should manage the costs of an ageing population? Select all that you feel apply from list [of 14 different options].’
5.2 We have to learn how to take better care of ourselves

The growing need for self-sufficiency has been on participants’ minds for a number of years now and is unlikely to fall off their radar any time soon. It stems largely from fear; a fear that the ‘system’ is failing and that government cannot be relied on to support us in times of trouble and into old age. There is a view that publically funded services that exist now (even if very limited) may not be available at all in the future and that most Australians will have to fend for themselves if they want quality services and care. Participants have been bracing themselves for a future where the State will provide less and they are required to be a whole lot more self-sufficient.

The fact of the matter is that the sorts of services we have been getting up until now won’t be around in the future, or at least they won’t be free. Look at free education — that’s gone. You want a degree — you have to pay for it yourself.

I hope I don’t get cancer in the future. I won’t be able to afford the chemo.

Whilst diminishing faith in government support has been a cause of anxiety and despair, for some participants it has also become a driving force to ‘get their lives in order’ and put some plans in place for a healthy, happy and financially secure future. It seems that more and more Australians are recognising the value of taking charge of their lives and doing whatever they can to ensure the best possible health and quality of life for themselves and their family. This is their positive spin on what otherwise is a fairly grim outlook of the future.

The lack of security around jobs has triggered anxiety about debt (especially credit card debt) and a renewed focus on the need to have savings to provide a buffer from hard times.

I’ve been concentrating on paying off my credit cards, and trying to put some money aside. You just don’t know what’s around the corner these days.

5.3 We want governments to plan for our future

‘Short-term thinking’ is one of the most common accusations that have been levelled at government over the past 10 years. Mind & Mood 2005 reported a sense that Australia was ‘lurching from one difficulty to another, with no clear plan of where it was heading as a nation’. Participants’ fingers were often pointed at government leaders and politicians who were seen to be so preoccupied with balancing budgets that they had neglected planning and investing in Australia’s future. In the years that followed, participants continued to attack governments for their policy failures, constant bickering and their general lack of vision. Questions were being asked about whether the issues that fired up politicians and filled the front pages of our newspapers were in fact the most important issues facing the nation.

There were principles attached to policies [before], now they’re driven by fear because of the polls.

What measures are our leaders putting in today to help us [in the future]? I’m not feeling very comfortable with anything really, are you?

Confidence in government is unlikely to return until there are firm plans in place that address the root cause of the nation’s economic and social problems and demonstrate a long-term commitment to Australia’s future.
About this report

This report was prepared by Fiona Collis, who is a Director at Ipsos. It is based on qualitative insights drawn from the past 10 years of The Ipsos Mind & Mood Report, supplemented by data from the Ipsos Issues Monitor and the Ipsos Iview Omnibus Survey.

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