



Trust in government: understanding territorial divides in Australia

OECD
Danielle Wood, Grattan Institute
7 July 2021

Trust in government was in decline (until COVID)

- Trust in government has been on the decline for more than a decade
- COVID has seen a reversal, particularly for state governments

Low trust is manifesting in a rising ‘protest vote’

- Minor party vote is historically high, particularly in the regions
- Distrust and voting do not appear to be primarily driven by economics

Regions are unhappy – but the problems appear to be cultural

- Incomes are no worse – but population growth is slow
- There’s a growing cultural divide – of identity, not social liberalism

Why is trust falling and what can we do about it?

- Policy failures, corruption of politics, leadership instability
- Policy delivery, reforming political institutions, focus on what can control in the regions (services), stop fear mongering on migration

Pre-COVID, trust in the Australian government was at its lowest on record

GRATTAN
Institute

Percentage of survey respondents who agree

50%

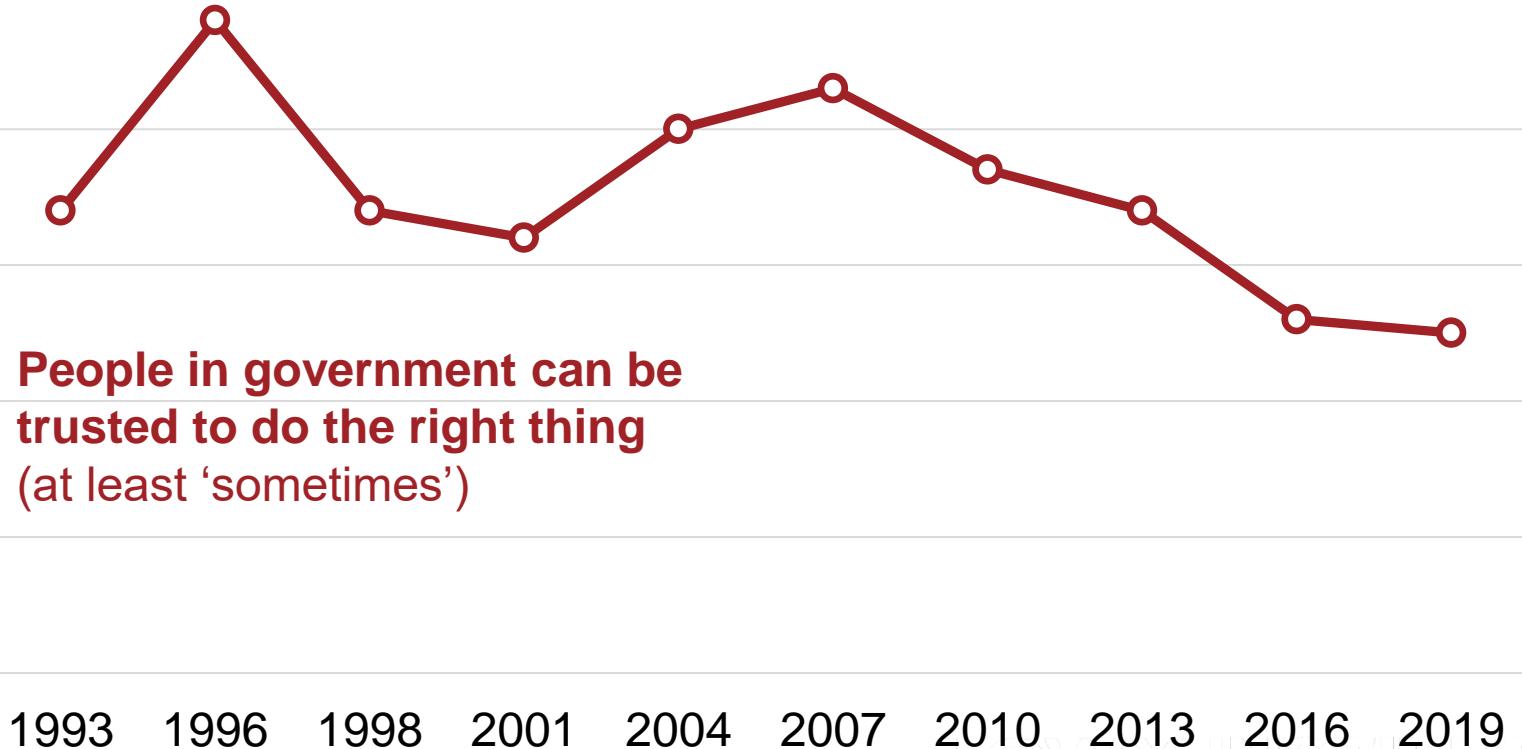
40%

30%

20%

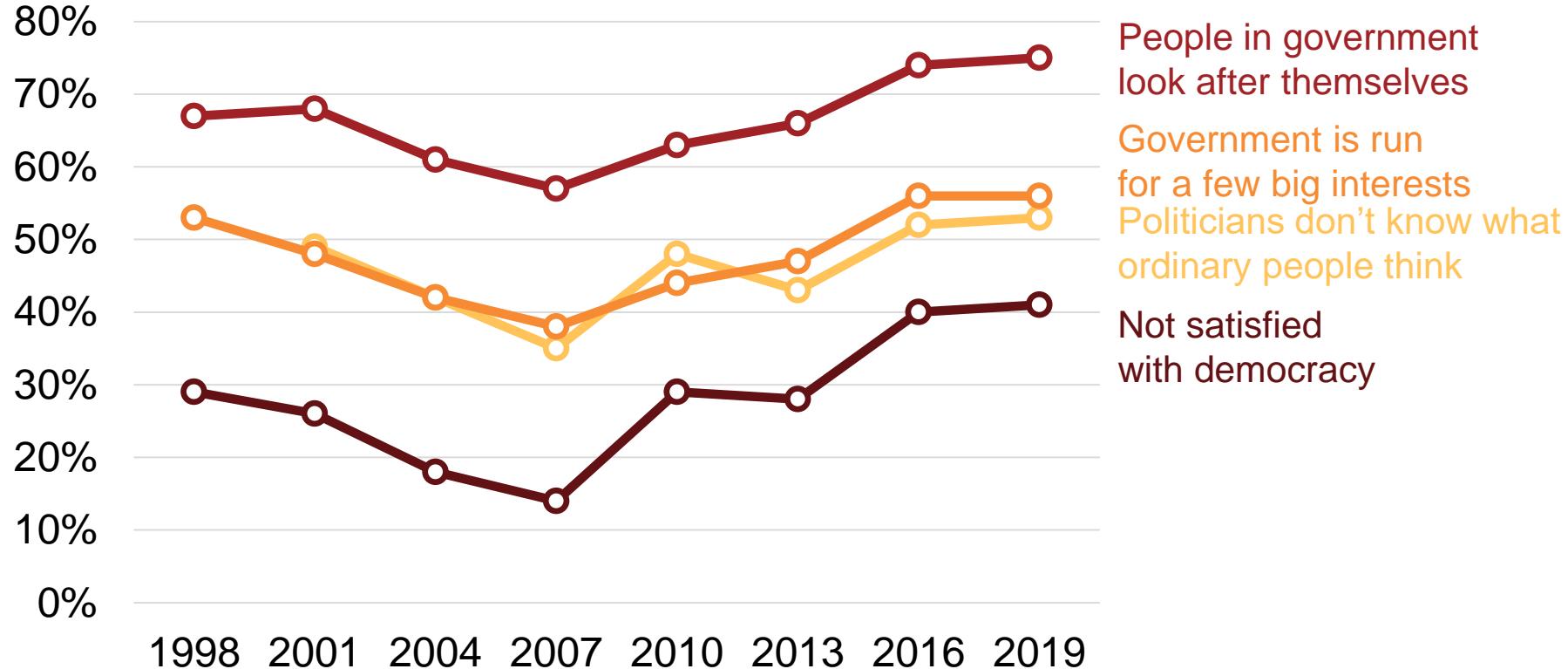
10%

0%

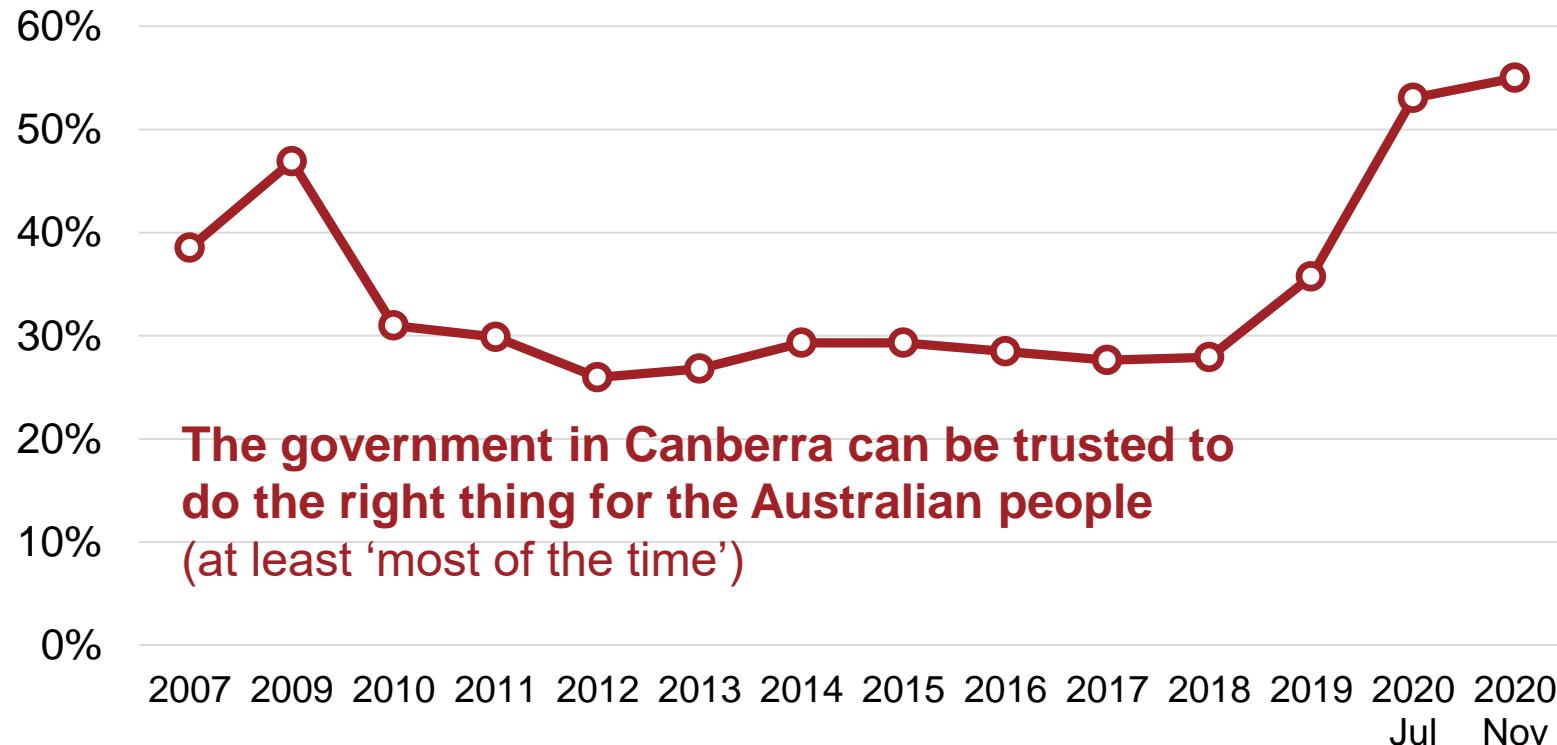


This lack of trust holds across several dimensions

Percentage of survey respondents who agree with selected statements



COVID has shifted, both for the Federal government...

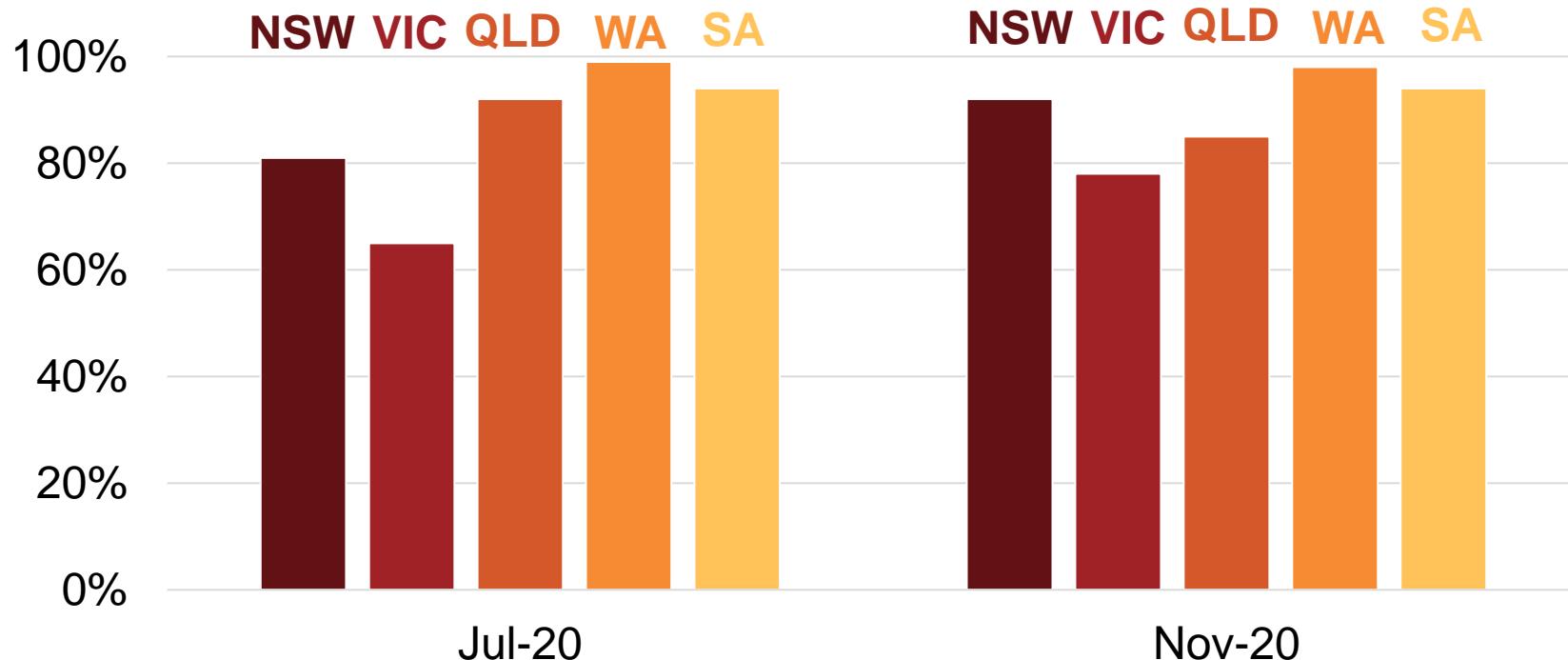


Notes: Includes responses of 'almost always' and 'most of the time'.

Source: Scanlon Foundation – Mapping Social Cohesion 2020.

...and for state governments

How well is your state government responding to the pandemic?
(‘very well’ or ‘fairly well’)



Source: Scanlon Foundation – Mapping Social Cohesion 2020.

Trust in government was in decline (until COVID)

- Trust in government has been on the decline for more than a decade
- COVID has seen a reversal, particularly for state governments

Low trust is manifesting in a rising ‘protest vote’

- Minor party vote is historically high, particularly in the regions
- Distrust and voting do not appear to be primarily driven by economics

Regions are unhappy – but the problems appear to be cultural

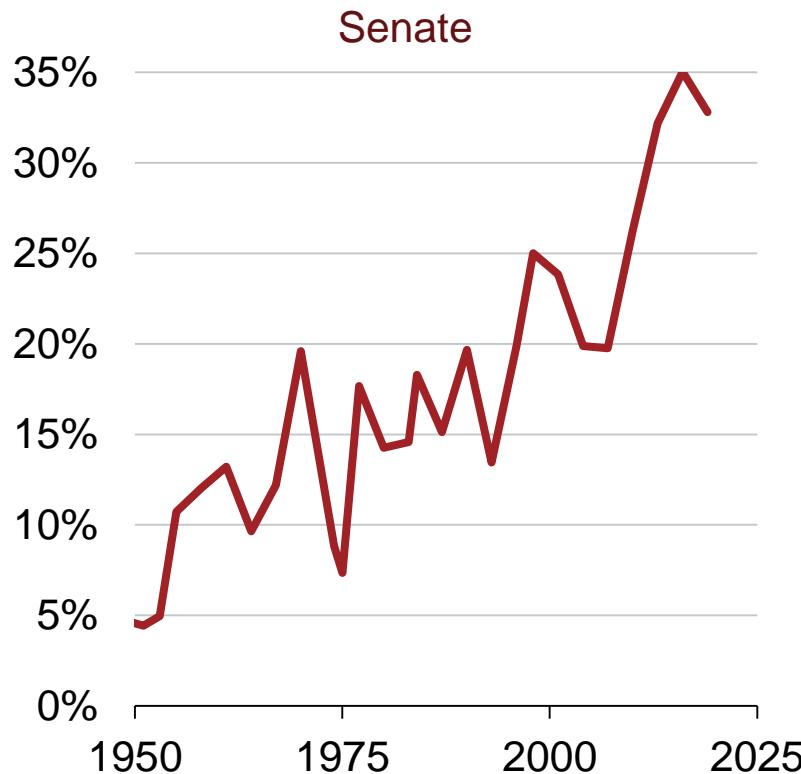
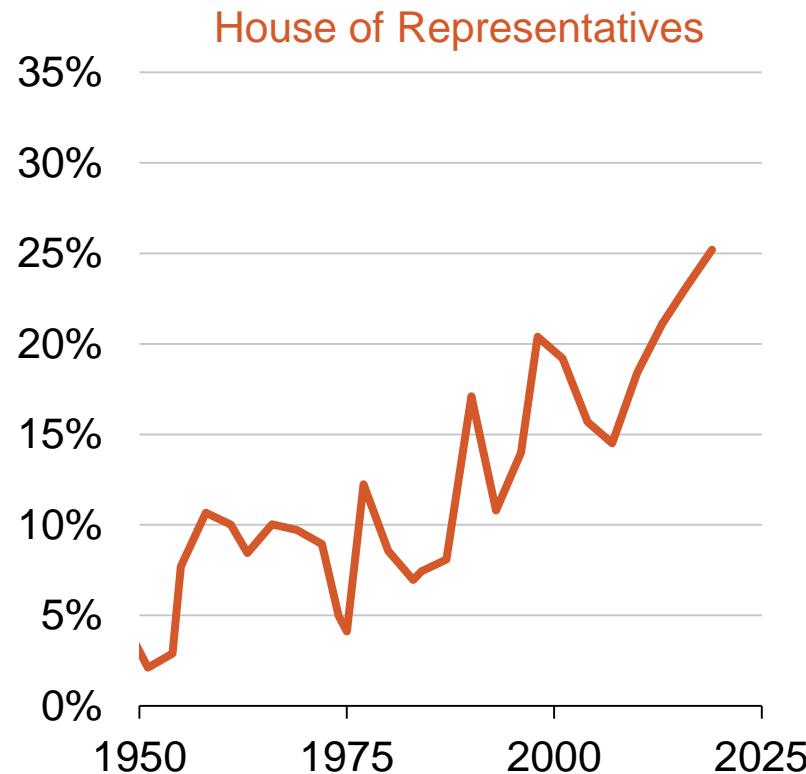
- Incomes are no worse – but population growth is slow
- There’s a growing cultural divide – of identity, not social liberalism

Why is trust falling and what can we do about it?

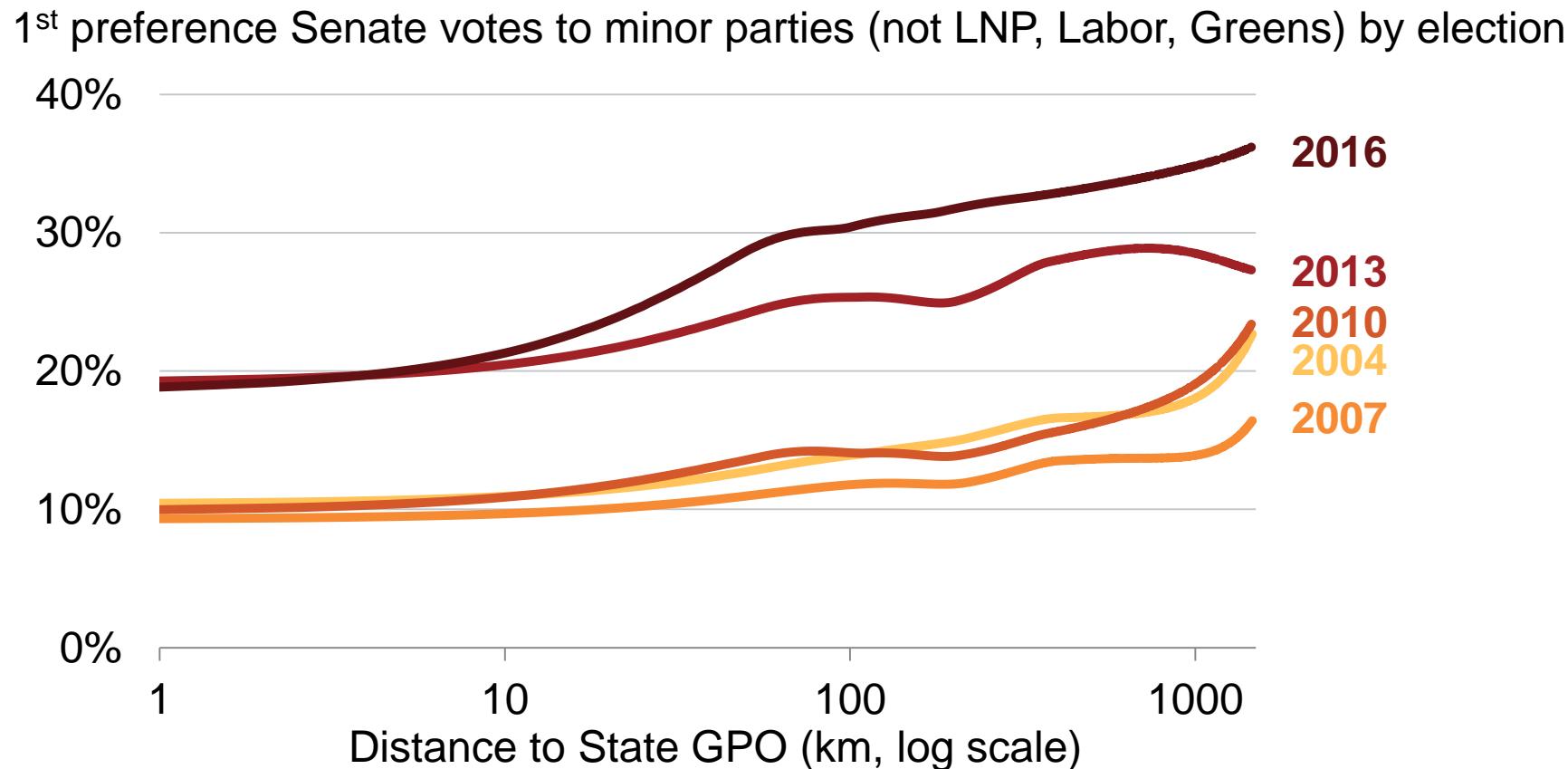
- Policy failures, corruption of politics, leadership instability
- Policy delivery, reforming political institutions, focus on what can control in the regions (services), stop fear mongering on migration

The minor party vote is historically high

First preference votes to minor parties as a share of the formal vote

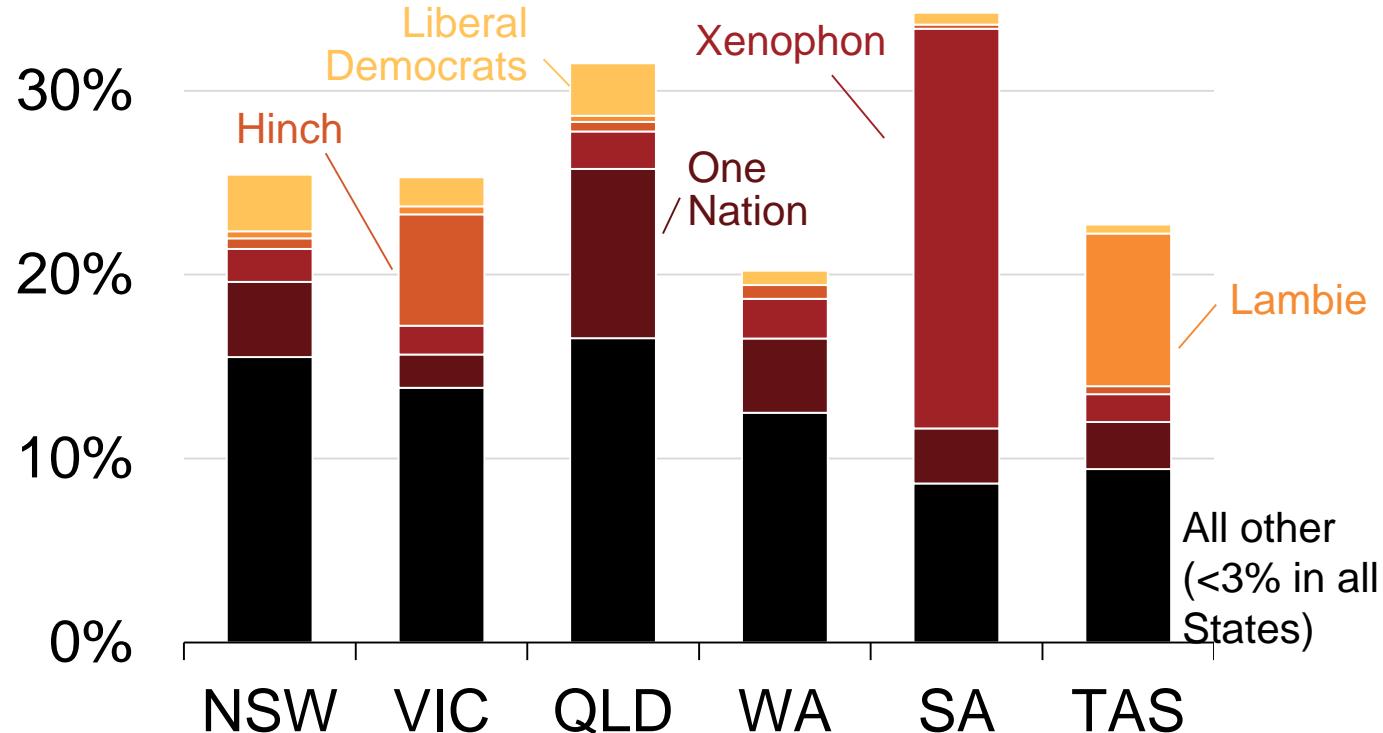


Minor party vote is growing faster in the regions in Australia

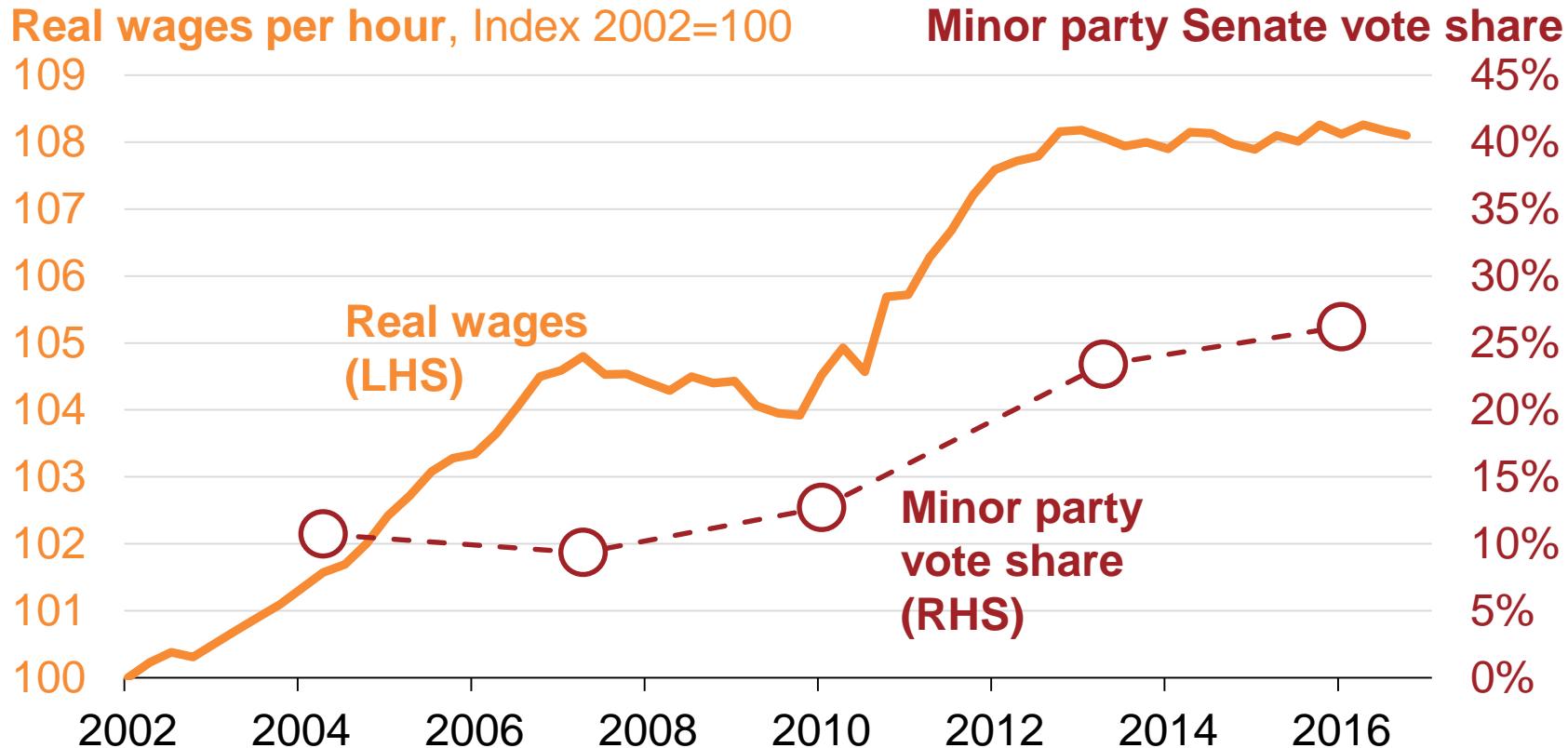


The minor party vote is fragmented, and partly driven by State-based personalities

First preference Senate vote share, minor parties (not LNP, Labor, Greens), 2016



Economic explanations are unconvincing: minor party vote jumped after incomes rose

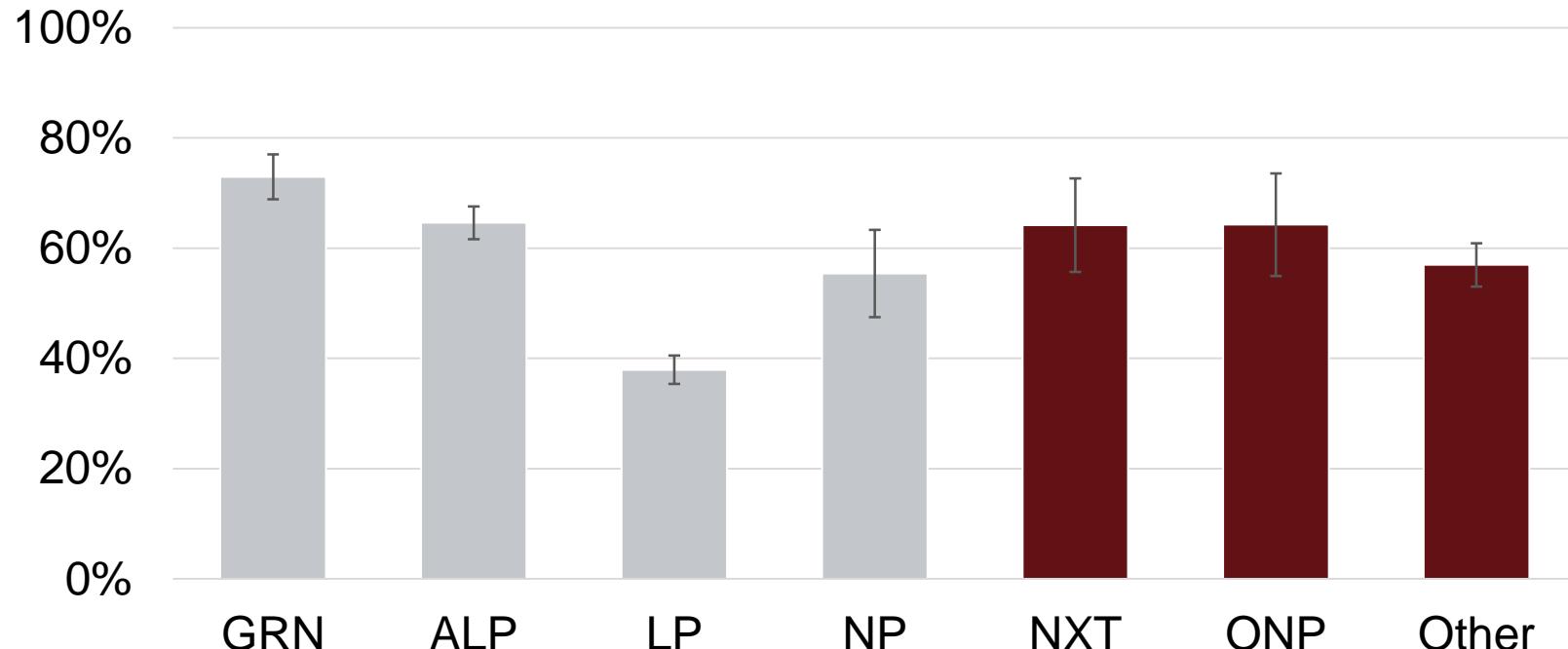


Notes: Nominal wages deflated using RBA's trimmed mean measure of underlying inflation. Minor party = not LNP, Labor, Greens.

Source: ABS 6345.0, 6401.0; Grattan Institute, *A crisis of trust*

Minor party voters aren't more excited by redistribution

Percentage of respondents who agree that income and wealth should be redistributed, by party voted for in the Senate, 2016

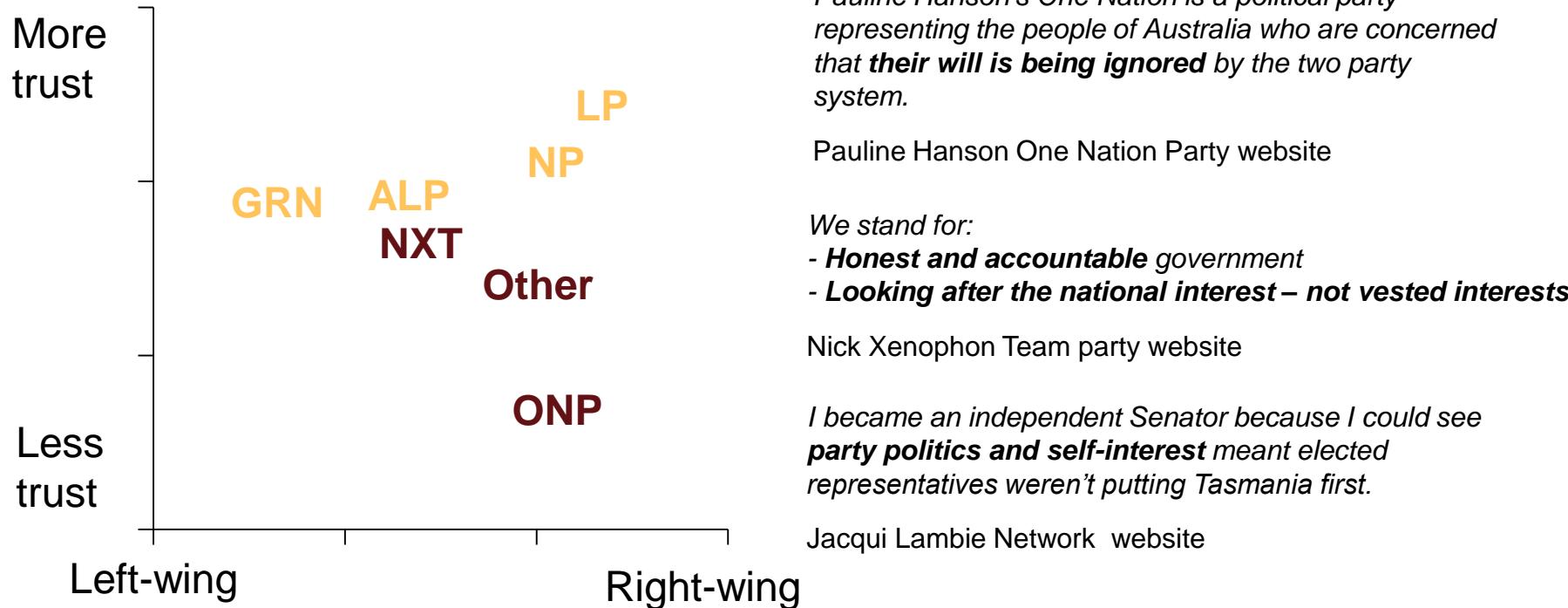


Note: Estimates combine 'Strongly agree' and 'Agree' response categories. Party voted for in previous election is self-reported.

Source: Grattan analysis of AES 2016

Minor party voters are different in terms of their lack of trust, not their economic views

Index of trust in government and big business and index of left-right views,
2016



Trust in government: understanding territorial divides

Trust in government was in decline (until COVID)

- Trust in government has been on the decline for more than a decade
- COVID has seen a reversal, particularly for state governments

Low trust is manifesting in a rising ‘protest vote’

- Minor party vote is historically high, particularly in the regions
- Distrust and voting do not appear to be primarily driven by economics

Regions are unhappy – but the problems appear to be cultural

- Incomes are no worse – but population growth is slow
- There’s a growing cultural divide – of identity, not social liberalism

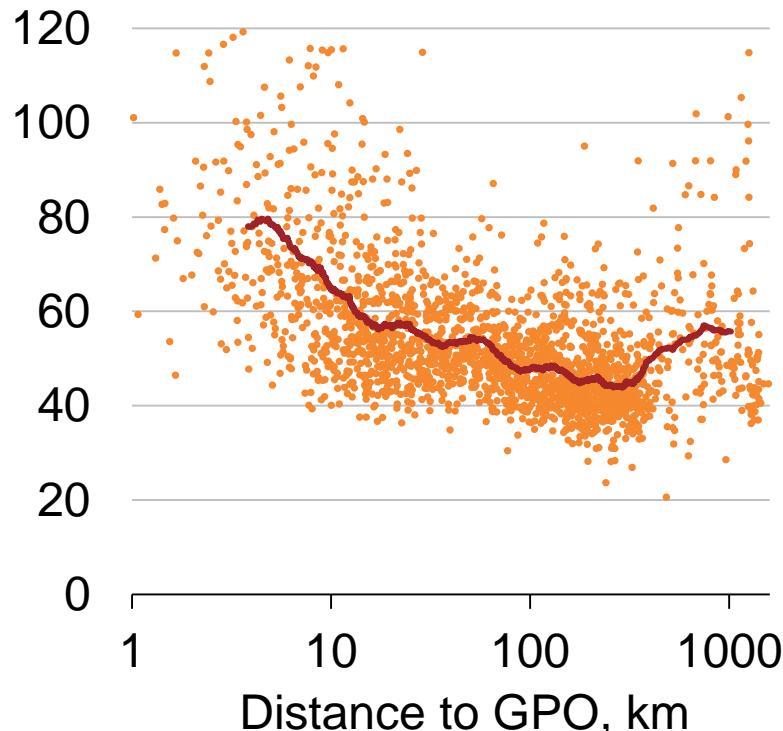
Why is trust falling and what can we do about it?

- Policy failures, corruption of politics, leadership instability
- Policy delivery, reforming political institutions, focus on what can control in the regions (services), stop fear mongering on migration

Regions have lower incomes, but their growth has kept up

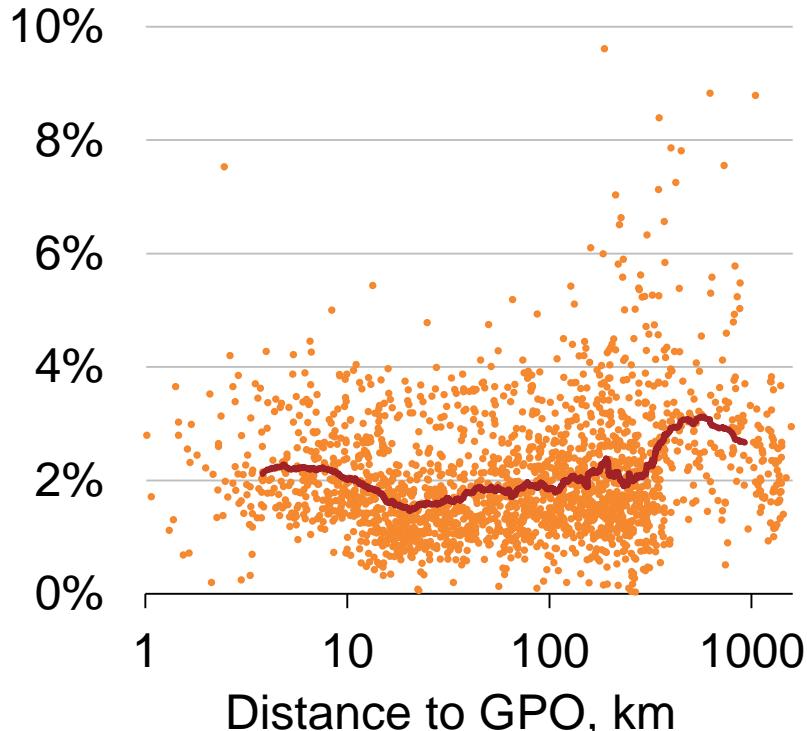
Taxable income per filer

\$000 2014-15



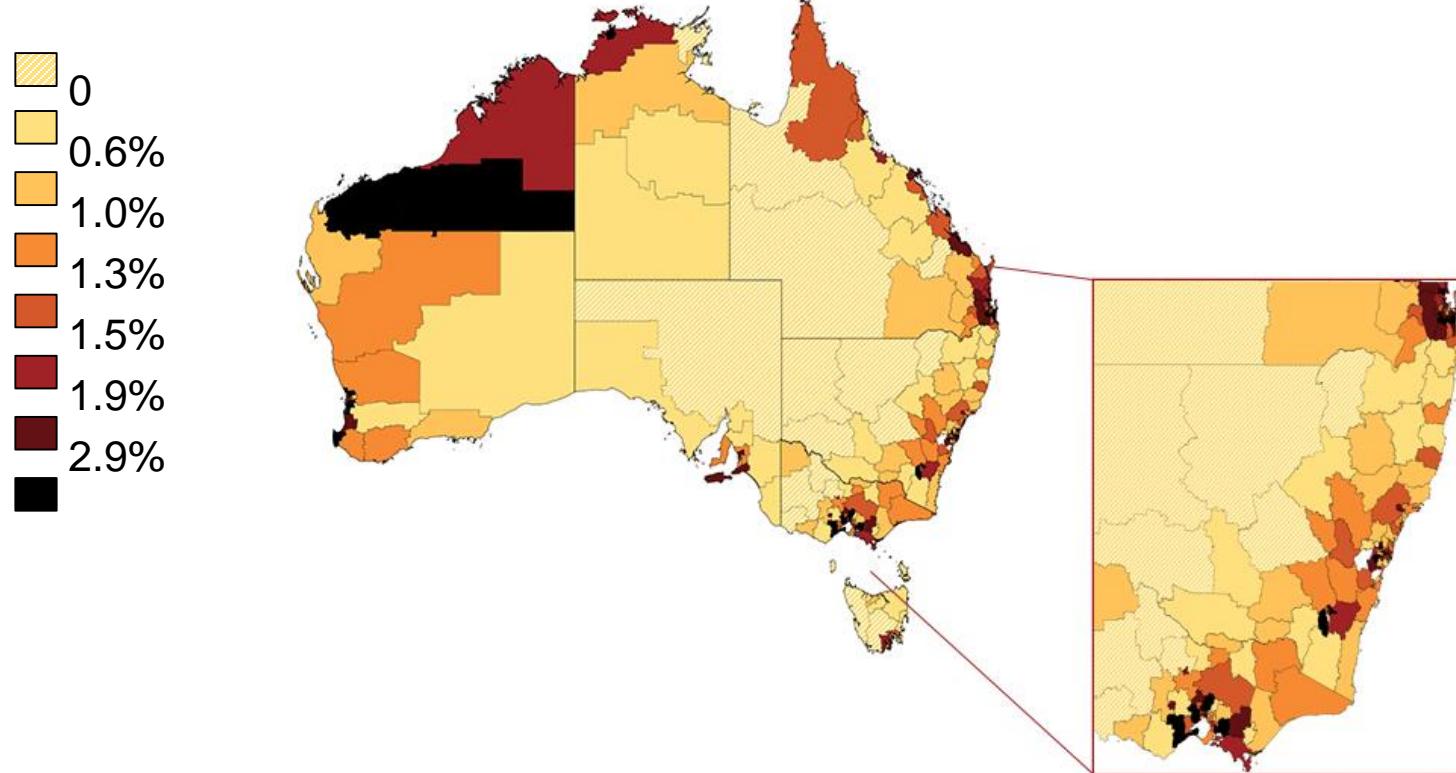
Growth in taxable income per filer

Real CAGR, 2004 to 2015



But population growth much stronger in the cities (plus coast and mining regions)

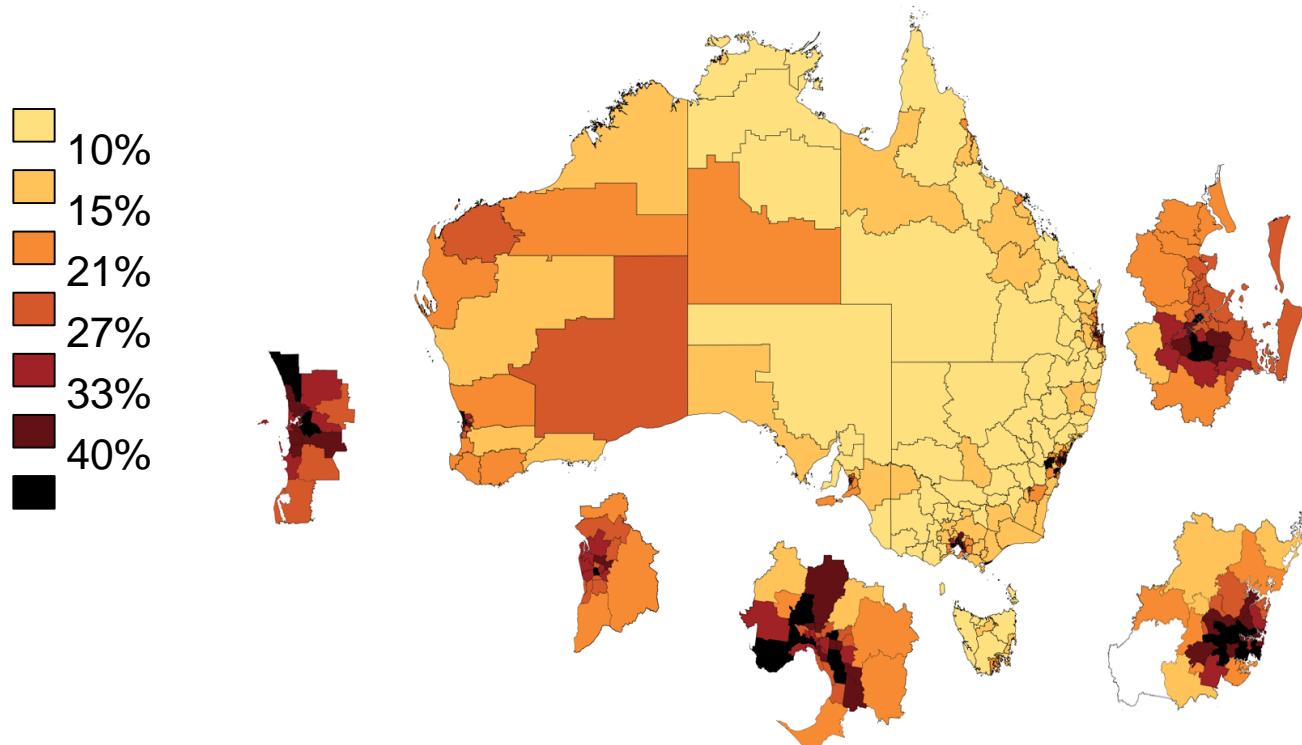
Population growth by SA3, CAGR 2006-2016



Source: ABS, Census

Largely because of migration

Migrants as share of population by SA 3, 2016

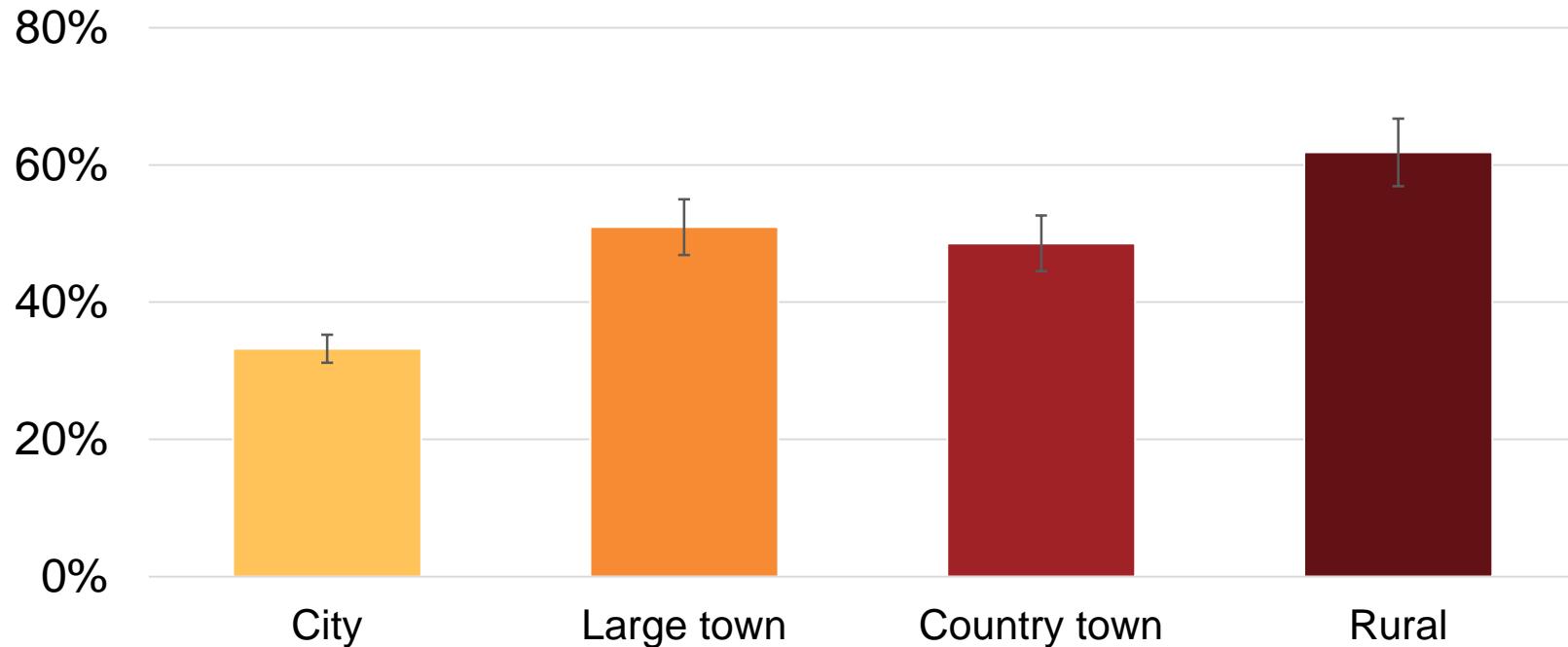


Note: Sample is grouped into seven subsets of equal population.

Source: ABS, Census

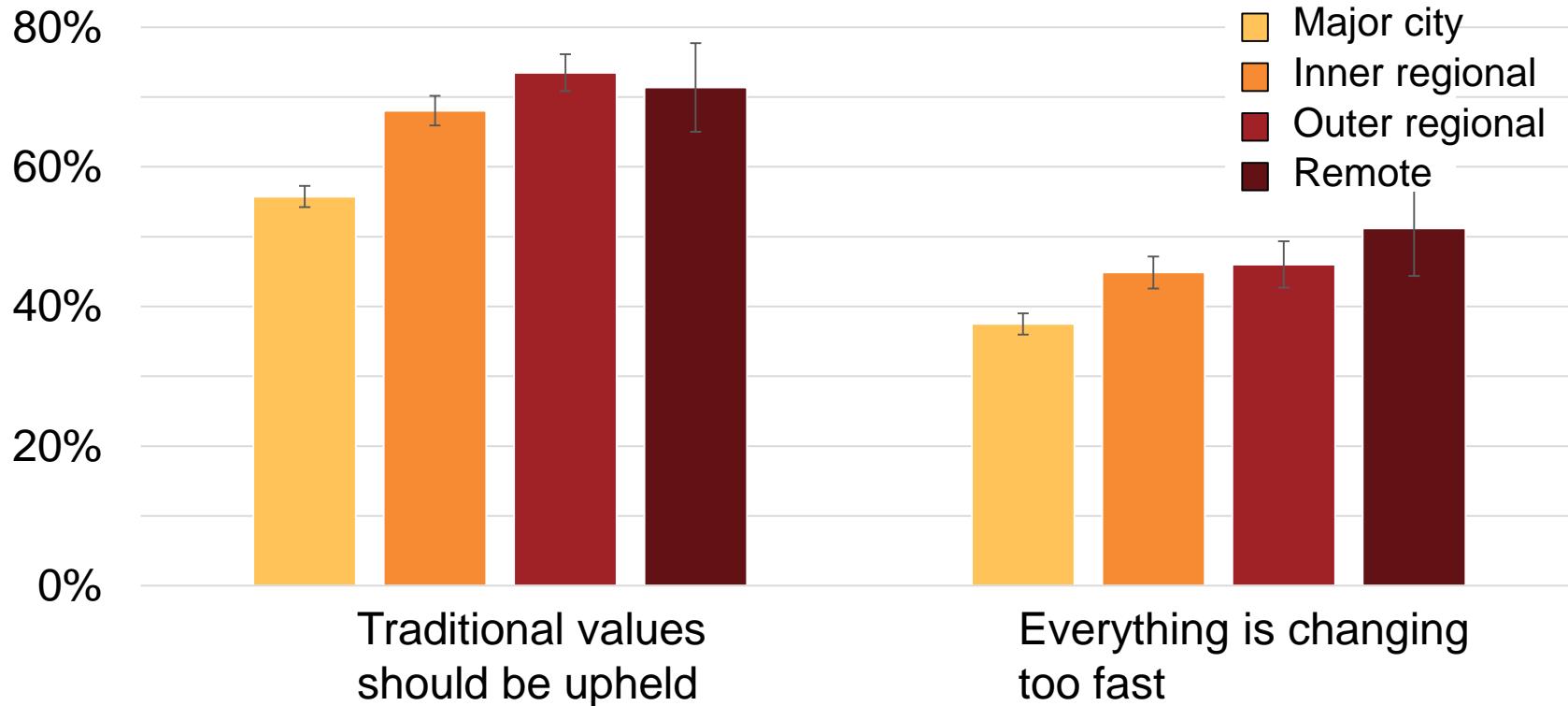
Regional voters more concerned about immigration

Percentage of respondents who agree that immigrant numbers should be reduced, by location, 2016



And worried about how society is changing

Percentage of survey respondents who agree with selected statements, 2017



Cultural symbols are shifting



1982

From Man from Snowy River to MasterChef.....



2018

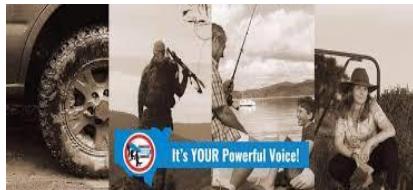
And politicians are keen to exploit rising discontent



“Regional people across Australia have grown tired of being kicked in the guts.”
Bob Katter in lead up to 2016 Federal election



Regional Queensland is the heart of Queensland and they have been forgotten for many, many years
Pauline Hanson in lead up to 2018 Queensland election



We acknowledge the vital role rural and regional Australia plays... Our action plan for regional NSW will return rights to property owners, protect local jobs and industries and support regional communities.
Shooters, Farmers and Fishers Party website

Trust in government: understanding territorial divides

Trust in government was in decline (until COVID)

- Trust in government has been on the decline for more than a decade
- COVID has seen a reversal, particularly for state governments

Low trust is manifesting in a rising ‘protest vote’

- Minor party vote is historically high, particularly in the regions
- Distrust and voting do not appear to be primarily driven by economics

Regions are unhappy – but the problems appear to be cultural

- Incomes are no worse – but population growth is slow
- There’s a growing cultural divide – of identity, not social liberalism

Why is trust falling and what can we do about it?

- Policy failures, corruption of politics, leadership instability
- Policy delivery, reforming political institutions, focus on what can control in the regions (services), stop fear mongering on migration

Some causes of falling trust

Great expectations raised and dashed, e.g.: housing affordability; jobs; cost of living; regional growth
 Sense of chaos, e.g.: energy policy; tax policy



Political donations – at least appearance of conflict
 Lobbying spending and activity is high
 Transparency is limited

Media increasingly fragmented, creating echo chambers
 Declining trust in experts



Politics increasingly a “job for life”
 Political parties less representative and membership falling

“Not the Prime Minister I voted for”
 Personal ambition over public good



Abuse of entitlements feeds cynicism
 “Jobs for mates” reduces confidence in decisions

What can governments do?

Focus on policies that make a difference to people's lives

- Jobs/growth, health, education AND actually deliver

Rebuild institutions

- Reform politicians' entitlements,
- Address increasing access of vested interest - lobbying and donations reform
- Broaden popular involvement in parties
- Reforms to tie hands to reduce 'misuse of office' including national integrity commission

Regional realism

- Don't promise what can't control (e.g. population growth)
- Increase presence of institutions (cultural, political)
- Improve regional services, more local input

National identity

- Broader of national identity that includes cities and regions
- Reduce "national security" fear-mongering
- Rhetoric matters – emphasise migrant participation, shared values, not difference