



Monday 14 November 2011

Satisfaction with economy and business drops despite economic stability in Australia

The latest Australian Unity Wellbeing Index survey in October reveals people's satisfaction with business and Australia's economic situation is significantly lower than it was a short six months ago.

Professor Robert Cummins of Deakin University and author of the Index said it is surprising that years after the global financial crisis (GFC), with indicators showing the economy is healthy and stable, that satisfaction with business and the economy is falling.

"This may indicate that financial and economic performance are not the only criteria people use to assess the state of business," Professor Cummins said. "Australian reaction to economic woes abroad may explain the drop in satisfaction level with business and the economy. Additionally, the media coverage predicting economic catastrophe following the introduction of a Carbon Tax and the declining share markets could also be having an effect.

"The continuing economic crisis abroad and the public's reaction to the international economic situation have received much publicity in the six months since the last survey. It seems likely that Australians' satisfaction with business and the economy are not only affected by direct experience but also mediated by the perception of the global situation," Professor Cummins said.

"In short, Australians may be affected by the global state of affairs even when the situation at home is seemingly stable. However, intense negative predictions regarding the effect of the Carbon Tax on our economic outlook and drop in the shares market may also be influencing this decline in satisfaction with business and the economy."

Professor Cummins also suggested that media coverage of events such as the riots in London and protests in Wall Street may have contributed to a projection of international situations onto a domestic context that is vastly different from what is occurring abroad.

David Bryant, chief executive officer for Australian Unity Investments said the findings suggest that economic and business performance are no longer the drivers of confidence. "What's changed is people's sense of control or predictability. Australians are looking at events in Greece or in the US and realising that what is happening there could affect their own employment, or their mortgage, or their superannuation, and there's nothing they can do about it."

ends

For media enquiries contact Australian Unity's Public Affairs Adviser Sarah Kulman, on 0400 006 295 or 03 8682 6778.