

Polling - Causes and cures of inflation

July 2023

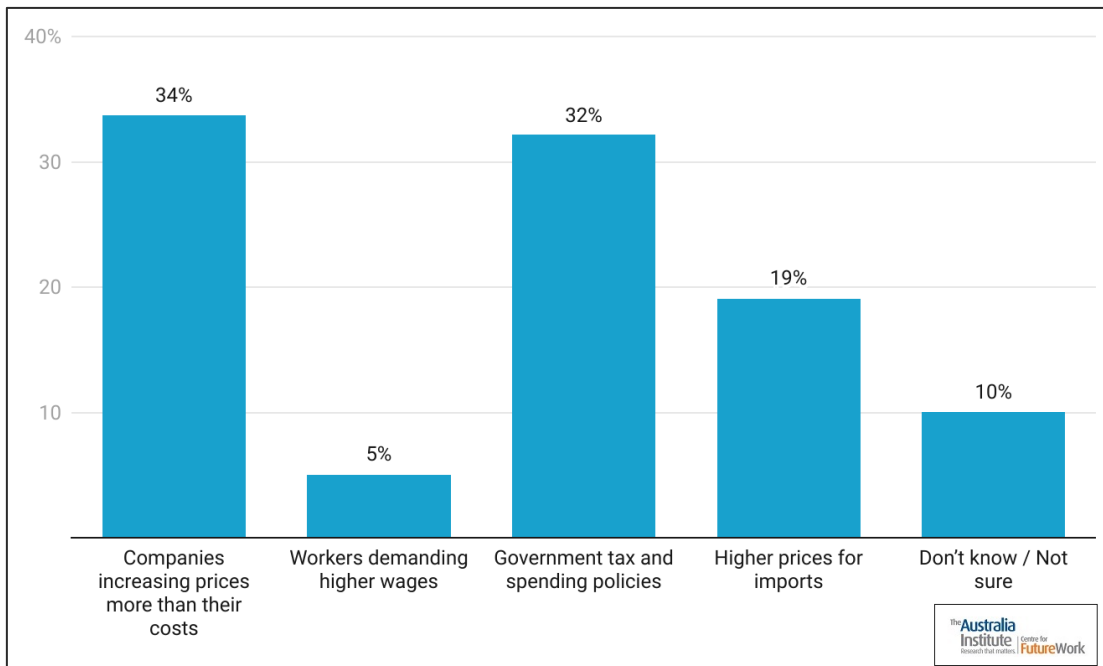
Key results

The Australia Institute surveyed a nationally representative sample of 1,004 Australians about their attitudes to the causes of inflation and the most successful policies to combat it.

The results show that:

- Just over a third of Australians (34%) believe the biggest cause of inflation was companies increasing their prices by more than their costs – more than any other causal factor.
- Only 5% of Australians believe that inflation is caused by workers demanding higher wages.
- One in three Australians (33%) think that putting price caps on essential goods and services would be the most successful initiative in combatting inflation in Australia. Just under one third (28%) think the most effective response would be taxing back excess profits of corporations and using the proceeds to reduce prices.

Figure 1. What do you think is the biggest reason for the high inflation Australia has experienced in the last two years?

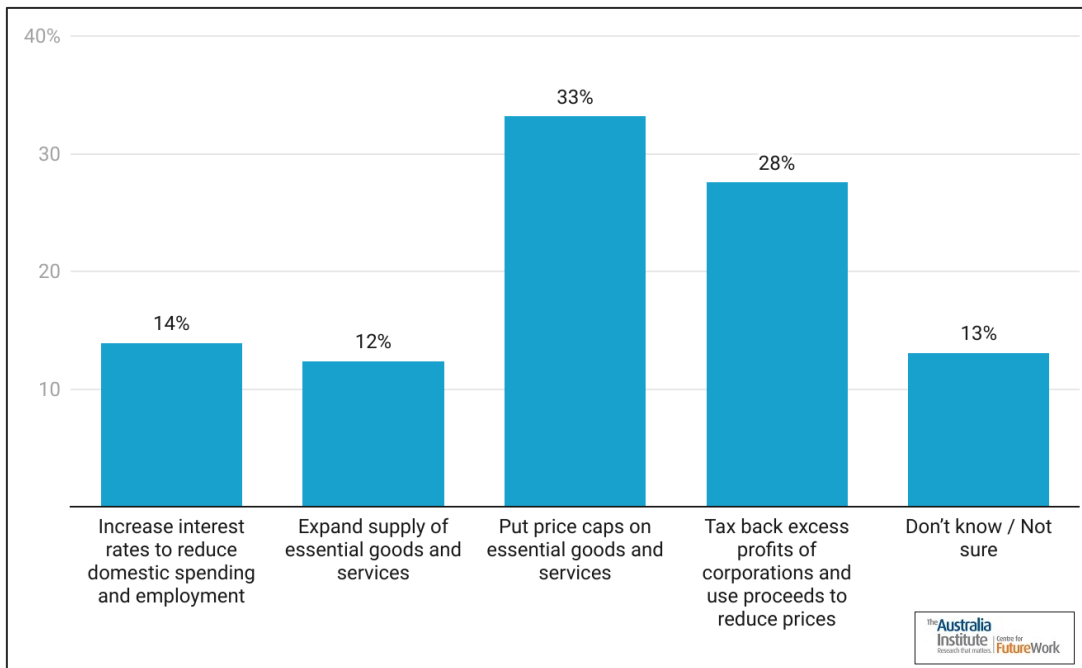


Respondents were asked what they believed was the biggest reason for the high inflation Australia has experienced of the last two year. Two thirds (66%) of respondents either replied that companies increasing their prices more than their costs or government tax and spending policies are the main cause.

ALP voters were the mostly likely to list rising company prices as the major reason (41%), while coalition voters were the least likely (26%) to blame the role of companies.

All voters, regardless of gender, age, state or political affiliation, placed the least blame for inflation on wages. Just 7% of coalition voters said that workers demanding higher wages was the biggest cause of inflation, compared to 4% of ALP voters and 5% of those who support the Greens.

Figure 2. Which of these initiatives do you think would be the most successful in combatting inflation in Australia?



Respondents were asked which of 4 initiatives they believed would be the most successful in countering the current inflation.

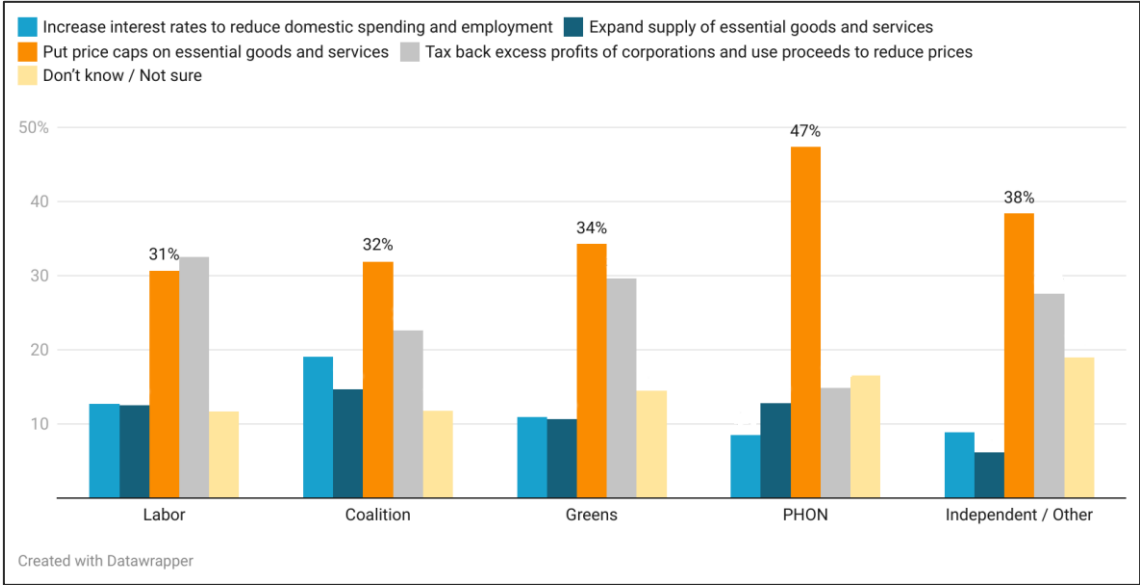
Just over three in five respondents suggested a focus on constraining companies' capacity to profit from higher prices would be the most effective response to inflation. That could include putting price caps on essential goods and services (33%), or taxing back excess profits of corporations and using the proceeds to reduce prices (28%) would be the most successful initiatives.

The role of interest rates in combating inflation was among the least-supported anti-inflation initiative. Across all age groups it was the least favoured, except for those over 60 years who rated it the second lowest (18%) compared to expanding the supply of essential goods and services (9%). For the whole sample, just 14% rates higher interest rates as the best anti-inflation policy.

The proposal to put prices caps on essential goods and services was the most favoured initiative for supporters of all political parties, except for ALP voters who slightly favoured taxing back excess profits (33%) over establishing price caps (31%).

Nearly one in three Coalition voters (32%) favoured price caps, with just under a quarter (23%) preferring taxing back excess profits and using the proceeds to reduce prices.

Figure 3. Inflation combating initiatives by voting intention



Method

Between 4 and 7 July 2023, The Australia Institute surveyed 1,004 adults living in Australia, online through Dynata’s panel, with nationally representative samples by gender, age group and state/territory.

Voting crosstabs show voting intentions for the House of Representatives. Those who were undecided were asked which way they were leaning; these leanings are included in voting intention crosstabs.

The research is compliant with the [Australian Polling Council Quality Mark standards](#). The long methodology disclosure statement follows.

Long disclosure statement

The results were weighted by three variables (gender, age group and state or territory) based on Australian Bureau of Statistics [“National, state and territory population”](#) data, using the raking method. Those who answered the gender identity question as “Non-binary”, “I use a different term”, or “Prefer not to answer” had their responses included with females for the purpose of reporting, due to constraints from weighting data availability. This resulted in an effective sample size of 939.2.

The margin of error (95% confidence level) for the national results is $\pm 3\%$.

Results are shown only for larger states.

Voting intention questions appeared just after the initial demographic questions, before policy questions. Respondents who answered “Don’t know / Not sure” for voting intention were then asked a leaning question; these leanings are included in voting intention crosstabs. “Coalition” includes separate responses for Liberal and National. “Other” refers to Independent/Other, and minor parties in cases where they were included in the voting intention but represent too small a sample to be reported separately in the crosstabs.



**Australian
Polling Council
Quality Mark**

Detailed results

No preceding questions in the poll are expected to have influenced the results of the questions published here.

Q14. What do you think is the biggest reason for the high inflation Australia has experienced in the last two years?

	Total	Male	Female	18-29	30-39	40-49	50-59	60+
Companies increasing prices more than their costs	34%	36%	31%	29%	35%	40%	32%	34%
Workers demanding higher wages	5%	6%	4%	8%	4%	3%	3%	6%
Government tax and spending policies	32%	31%	34%	39%	36%	28%	33%	27%
Higher prices for imports	19%	20%	18%	16%	20%	18%	18%	21%
Don't know / Not sure	10%	6%	13%	7%	5%	11%	14%	12%

	Total	NSW	VIC	QLD	WA
Companies increasing prices more than their costs	34%	34%	38%	33%	26%
Workers demanding higher wages	5%	5%	3%	3%	9%
Government tax and spending policies	32%	32%	32%	35%	30%
Higher prices for imports	19%	19%	22%	17%	20%
Don't know / Not sure	10%	10%	6%	11%	16%

	Total	Labor	Coalition	Greens	PHON	Independent / Other
Companies increasing prices more than their costs	34%	41%	26%	35%	29%	29%
Workers demanding higher wages	5%	4%	7%	5%	5%	3%

Government tax and spending policies	32%	26%	37%	29%	39%	42%
Higher prices for imports	19%	20%	19%	20%	14%	17%
Don't know / Not sure	10%	9%	11%	11%	12%	9%

Q15 Which of these initiatives do you think would be the most successful in combatting inflation in Australia?

	Total	Male	Female	18-29	30-39	40-49	50-59	60+
Increase interest rates to reduce domestic spending and employment	14%	17%	11%	13%	12%	12%	11%	18%
Expand supply of essential goods and services	12%	16%	9%	14%	15%	15%	11%	9%
Put price caps on essential goods and services	33%	32%	34%	34%	38%	28%	32%	33%
Tax back excess profits of corporations and use proceeds to reduce prices	28%	27%	28%	30%	27%	33%	26%	24%
Don't know / Not sure	13%	8%	18%	8%	8%	13%	20%	16%

	Total	NSW	VIC	QLD	WA
Increase interest rates to reduce domestic spending and employment	14%	14%	14%	15%	15%
Expand supply of essential goods and services	12%	16%	12%	10%	9%
Put price caps on essential goods and services	33%	29%	37%	32%	32%

Tax back excess profits of corporations and use proceeds to reduce prices	28%	29%	28%	30%	30%
Don't know / Not sure	13%	13%	10%	13%	15%

	Total	Labor	Coalition	Greens	PHON	Independent / Other
Increase interest rates to reduce domestic spending and employment	14%	13%	19%	11%	8%	9%
Expand supply of essential goods and services	12%	13%	15%	11%	13%	6%
Put price caps on essential goods and services	33%	31%	32%	34%	47%	38%
Tax back excess profits of corporations and use proceeds to reduce prices	28%	33%	23%	30%	15%	28%
Don't know / Not sure	13%	12%	12%	14%	17%	19%