Tracking outcomes during the COVID-19 pandemic (January 2021) – Cautious optimism

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Abstract

This paper uses data from the ANU Centre for Social Research and Methods COVID-19 Impact Monitoring program to examine the wellbeing of the Australian adult population in January 2021 and how this compares to wellbeing prior to COVID-19 and during the first year of the pandemic impacting Australia. We also consider how a number of policy-related attitudes have changed through time, including confidence in key institutions, views on the role of government, and reflections on past and future life in Australia. Anxiety and worry due to COVID-19 and expectations of infection have remained reasonably steady since November 2020. Life satisfaction continues to be at a higher level than just prior to the COVID-19 pandemic, and levels of psychological distress are lower than they have been since the spread of the disease in Australia, including a significant decrease since November 2020. Australians are, however, slightly less likely to feel that they can get by on their current income, and less likely to be confident in the Federal government than they were in November 2020. Australians are more optimistic about improvements in the future now than they were in January 2020 (particularly young Australians) with a little under half the sample (46.6 per cent) thinking that their life in 2022 would be a little or much improved and only 14.1 per cent thinking that their life will be worse.

1 Introduction and overview

As Australians looked forward to the Christmas, New Years and summer holiday period, there was some hope that the widespread bushfire of late 2019 and early 2020 and the COVID-19 pandemic would be behind us. The forecast was for a wet summer with low bushfire danger in most parts of the country. Local transmission of COVID-19 was very low, with zero infections on many days.

In mid-December 2020, however, there was an outbreak of locally acquired infections centred on Sydney's Northern Beaches area and local lockdowns in response. Over the Christmas/New Year period, many people within Sydney were restricted from travelling outside their local government area, and state borders were closed either to all of NSW, or to people from parts of the state (particularly Sydney). Although it would eventually be brought under control with relatively few COVID-19 cases, the outbreak highlighted the precarious position Australia is in without mass roll-out of a vaccine and the ultimate goal of herd immunity. Subsequent infections in Brisbane and Perth, identified to be of the more virulent strains of the SARS-CoV-2 virus that have mutated during the latter half of 2020 in the UK, South Africa and Brazil further reinforced the ongoing risk of infections becoming out of control again in Australia.

Between the 18th of January and the 1st of February 2021, as the success of the Christmas/New Year lockdowns in Sydney in controlling infections became apparent, the Social Research Centre on behalf of the ANU Centre for Social Research and Methods undertook an ANUpoll as part of the sixth wave of the ANU's COVID-19 Impact Monitoring Survey Program. The survey was undertaken on a representative sample of almost 3,500 adult Australians using the Life in Australia™ nationally representative online panel. A high proportion, 85.9 per cent, of this sample had been interviewed in a previous in-scope ANUpoll, with a number of new participants added to the panel to replace members who had stopped doing surveys in order to maintain its representativeness of the Australian population.

Surveys had been conducted with the same group of respondents (apart from the refresh members) in January and February 2020, just before the COVID-19 pandemic started in Australia and in April, May, August, October, and November after the pandemic started to cause major impacts in Australia, as well as during and just after the second wave of infections that were concentrated on Victoria. This allows us to track how outcomes have changed for the same group of individuals from just prior to COVID-19 impacting Australia, as well as during the most impactful times for the country. Full details of the survey are given in Appendix 1, with the survey itself soon to be available through the Australian Data Archive.

This paper provides data on the wellbeing of the Australian adult population in January 2021 and how this compares to wellbeing prior to COVID-19 and during the first year of COVID-19 impacting Australia. Section 2 provides data on whether Australians have been tested for COVID-19, how likely they think it is that they will become infected and their level of anxiety and worry due to COVID-19. More general measures of wellbeing, including mental health outcomes are reported in Section 3. In Section 4 we consider how confidence in key institutions have changed over the COVID-period, as well as views on the role of government in Australia. The final section reflects on whether views about whether life in Australia is better now than it was half a century ago and their optimism about the future have changed since the start of 2020.

Ultimately, this paper provides evidence on whether the relatively low rates of infection are

translating into positive wellbeing outcomes and views of the future, or whether the uncertainty still present is having ongoing negative impacts on the Australian population.

2 COVID-19 specific measures

There has been a continued increase in the proportion of adults who say they have been tested for COVID-19 – from 26.9 per cent in November 2020 to 32.6 per cent in January 2021.With a third of the population having been tested, COVID-19 testing is becoming an increasingly common experience. About one-quarter (27.2 per cent) of respondents who said they had been tested for COVID had been last tested in the month before the survey and about one-in-ten (11.2 per cent) had been tested in the previous two weeks. The remaining three-quarters who had been tested had done so more than a month before the survey.

The proportion of Australians reporting having been COVID tested is substantially lower than the total number of tests performed in Australia as a per cent of the population (51.1 per cent as of the 2nd of February 2021)[1], due to some individuals, particularly those in high risk occupations or outbreak locations, having been tested multiple times.

The likelihood of having been tested varies substantially between population subgroups. A regression model is used to estimate the relationship between demographic characteristics, education level and geographic location controlling for other characteristics (Table 1). COVID testing rates were higher for females compared to males (5.5 percentage points higher holding constant other characteristics), and much higher for Indigenous Australians compared to non-Indigenous Australians (27.2 percentage points more likely to have been tested for COVID than non-Indigenous Australians with 58.0 per cent of Indigenous Australians in our sample having been tested). This may reflect a targeted campaign to help make Indigenous Australians aware of the elevated risk of moderate or severe illness due to COVID-19.[2]

Testing rates are higher for those with an undergraduate or post-graduate degree compared to those who completed year 12 and have no post-school qualification (12.9 and 12.4 percentage points higher respectively).

In terms of age, testing rates are higher for those aged 25 to 34 years compared to those aged 35 to 44 years (5.7 percentage points) and lower for those aged 55 years and over (5.6 to 6.6 percentage points lower depending on the exact age group). Testing rates are lower amongst those who live outside a capital city.

After large declines between October and November 2020, the proportion of Australians who thought that it would be likely that they would be infected by COVID-19 in the next 6 months was very similar in January 2021, compared to November 2020. Specifically, 34.1 per cent of the population in August 2020 thought they would be infected, down to 16.8 per cent in November 2020, and 17.1 per cent in January 2021. Using a regression model (Table 1), expectations of infection were higher for females, Indigenous Australians, and those who speak a language other than English. Fear of infection was, however, lower for those younger than 25 and older than 65.

Keeping in mind that the most recent significant outbreak of COVID-19 prior to the data collection period commencing occurred in Sydney (with some additional cases in surrounding regions), we found a large increase in fear of COVID-19 infection in NSW relative to other States/Territories. There were small increases for the rest of Australia amongst the linked sample (15.7 per cent to 16.8 per cent between November 2020 and January 2021), but larger

increases amongst those who were living in NSW (as of January 2021), from 17.0 per cent to 21.7 per cent.

Anxiety and worry due to COVID-19 has tracked fear of infection (at least nationally). After large declines between October and November 2020, there was a small increase in the proportion of Australians who said that they had experienced anxiety and worry due to COVID-19 – 64.9 per cent in October 2020, 53.2 per cent in November 2020, and 56.9 per cent in January 2021. Using a regression model, anxiety and worry was higher for females, young Australians (aged 18 to 24 years), Indigenous Australians and those who speak a language other than English. The only group that had lower rates of anxiety and worry (than the base case) was those who lived outside of a capital city.

Table 1 Demographic, socioeconomic, and geographic factors associated with COVID-19 outcomes, marginal effects or difference in probability from base case, January 2021

	Tested		Expected likelihood of infection		Anxiety and worry due to COVID-19	
	M. Effect	Signif.	M. Effect	Signif.	M. Effect	Signif.
Female	0.055	***	0.103	***	0.032	**
Aged 18 to 24 years	0.019		0.125	**	-0.066	*
Aged 25 to 34 years	0.057	*	0.050		-0.021	
Aged 45 to 54 years	-0.036		-0.011		0.008	
Aged 55 to 64 years	-0.066	**	-0.059	*	0.010	
Aged 65 to 74 years	-0.058	*	-0.059	*	-0.027	
Aged 75 years plus	-0.056		-0.037		-0.059	**
Indigenous	0.272	***	0.130	*	0.186	***
Born overseas in a main English speaking country	-0.036		-0.007		0.015	
Born overseas in a non-English speaking country	-0.030		-0.002		0.018	
Speaks a language other than English at home	-0.041		0.085	**	0.087	***
Has not completed Year 12 or post-school qualification	-0.013		0.032		-0.013	
Has a post graduate degree	0.124	***	0.083	**	-0.017	
Has an undergraduate degree	0.129	***	0.011		-0.015	
Has a Certificate III/IV, Diploma or Associate Degree	0.041		0.040		-0.036	
Lives in the most disadvantaged areas (1st quintile)	-0.036		0.011		-0.006	
Lives in next most disadvantaged areas (2nd quintile)	0.003		-0.008		0.016	
Lives in next most advantaged areas (4th quintile)	-0.011		0.043		0.000	
Lives in the most advantaged areas (5th quintile)	-0.004		0.037		0.021	
Lives in a non-capital city	-0.047	**	-0.056	**	0.021	
Predicted probability of base case	0.305		0.473		0.155	
Sample size	3,298		3,290		3,299	

Source: ANUpoll, January 2021.

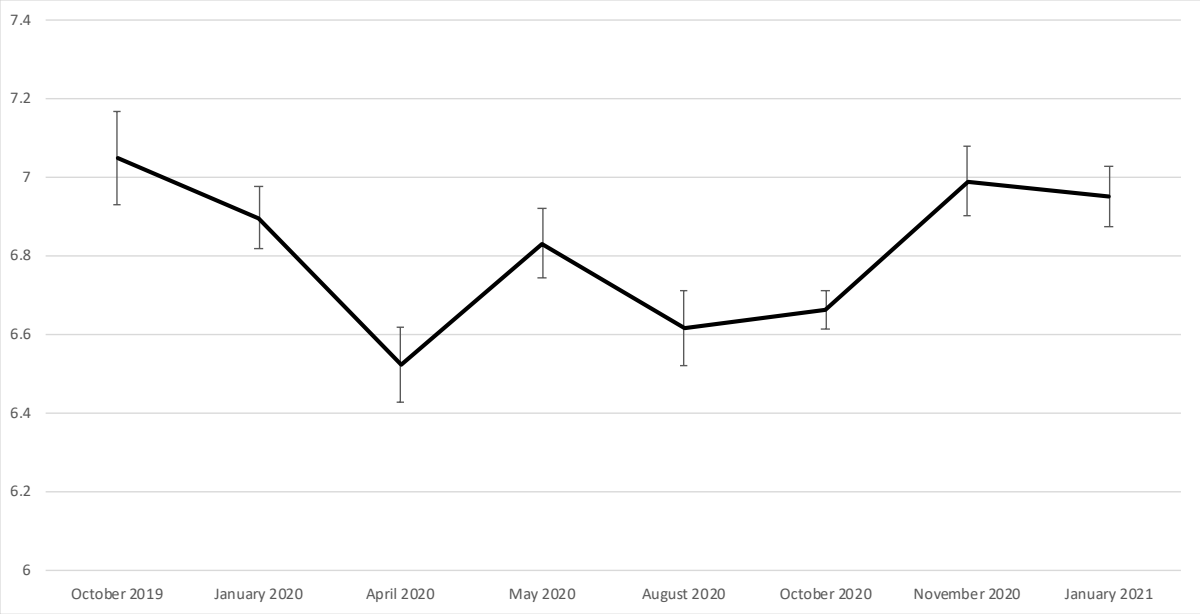
Notes: Probit Regression Model. The base case individual is female; aged 35 to 44; non-Indigenous; born in Australia; does not speak a language other than English at home; has completed Year 12 but does not have a post-graduate degree; lives in neither an advantaged or disadvantaged suburb (third quintile); and lives in a capital city. Coefficients that are statistically significant at the 1 per cent level of significance are labelled ***; those significant at the 5 per cent level of significance are labelled **, and those significant at the 10 per cent level of significance are labelled *.

3 Life satisfaction, mental health and wellbeing

3.1 Life satisfaction and mental health

Life satisfaction has been relatively stable between November 2020 and January 2021 – 6.99 on a scale of 0 to 10 in November 2020 and 6.95 in January 2021. While life satisfaction is still slightly below the October 2019 peak (in our time series) prior to the 2019/20 Black Summer bushfires, much of the reduction in life satisfaction observed over the COVID-19 period has been regained and appears to have been maintained between November 2020 and January 2021 (Figure 1)

Figure 1 Life satisfaction, October 2019 to January 2021.



Source: ANUpoll, October 2019, and January, April, May, August, October and November 2020, January 2021.

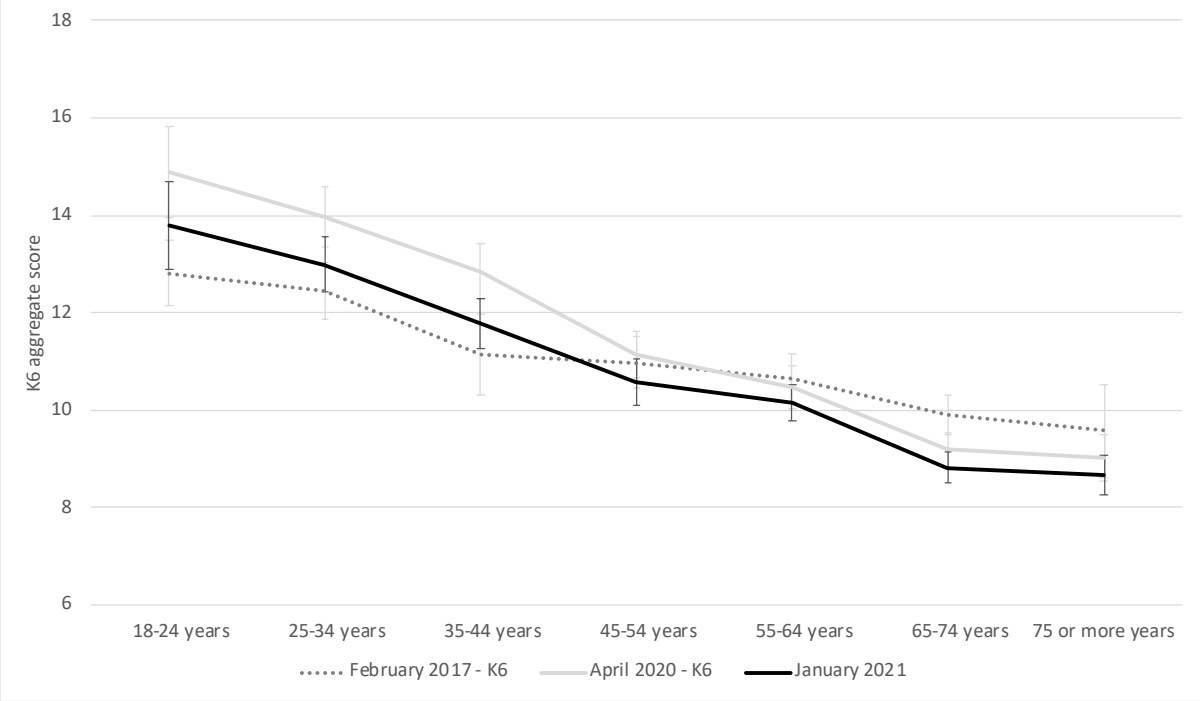
While life satisfaction was steady between November 2020 and January 2021, there was a continued improvement in mental health outcomes between November 2020 and January 2021 as measured by the K-6 measure of psychological distress (on top of the improvement up until November 2020). Our key measure of mental health is the Kessler 6 (K6) scale measure of psychological distress.[3] Respondents who score highly on this measure are considered to be at risk of a serious mental illness (other than a substance use disorder). The psychological distress questions were previously asked in February 2017 and therefore allow us to measure long-term change through time.

Specifically, on a scale of 6 to 30 (with higher values indicating higher psychological distress), the K-6 measure decreased from 11.43 in November 2020 to 11.00 in January 2021, the lowest level recorded since the start of the pandemic and even lower (but not significantly so) than recorded prior to the spread of COVID-19 (11.16 in February 2017)

Psychological distress has decreased for all age groups since the peak observed during the first wave of COVID-19 infections in Australia – April 2020, as shown in Figure 2 below. However, while the overall average value for Australia in January 2021 is similar to the average in February 2017, this hides a much steeper age profile in January 2021. Below the age of 45,

psychological distress is higher in January 2021 than it was in February 2017. Beyond the age of 45, however, psychological distress has, if anything, improved. This does not simply reflect general age patterns in mental health that occur outside of pandemic periods, as the results presented in Figure 2 are based on repeated cross-sections, so the particular age cohorts are updated every wave of data collection. We can see, however, in longitudinal analysis that a the individual level the mental health of older Australians have particularly improved during the pandemic period.

Figure 2 K-6 measure of psychological distress, February 2017, April 2020, and January 2021.



Source: Life in Australia, February 2017, and ANUpoll April 2020, January 2021.

There was a similar proportion of people in January 2021 who said they were lonely at least some of the time compared to November 2021 (36.1 per cent and 35.2 per cent respectively). Both months were lower than the peak levels of loneliness observed in April 2020 (45.8 per cent) and August 2020 (40.5 per cent).

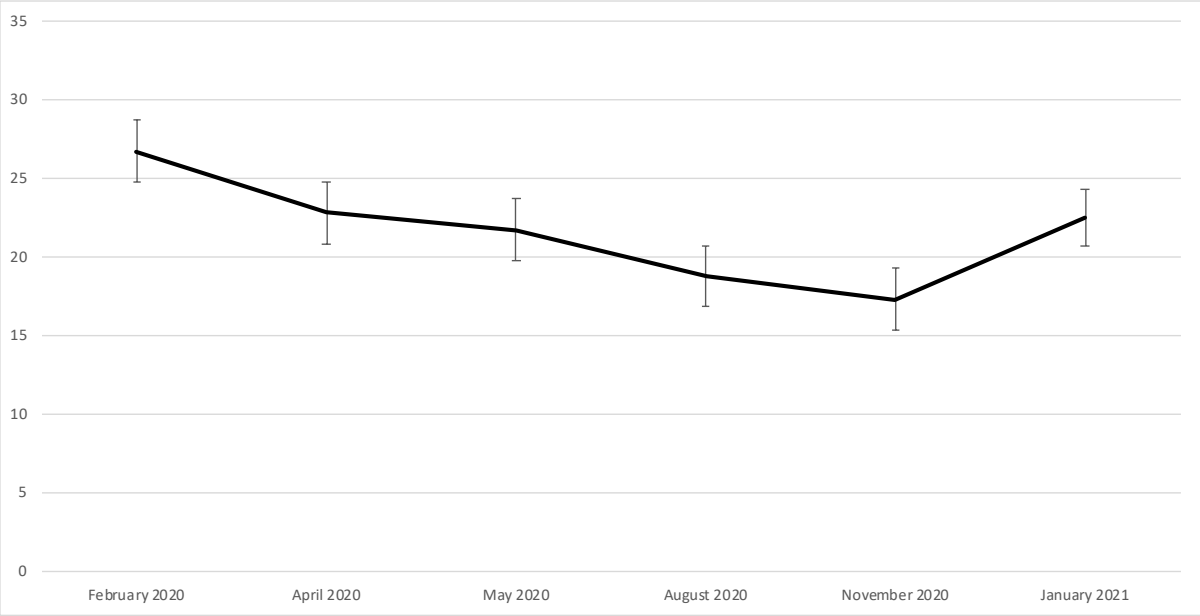
3.2 Difficulty in managing on current income

There have been somewhat different trends in financial wellbeing compared to broader measures of wellbeing and mental health during the COVID-19 period, and this is reflected in the January 2021 data. Our key measure of financial wellbeing over the COVID-19 period has been based on the question: 'Which of the following descriptions comes closest to how you feel about your household's income nowadays?' Those who respond 'Living comfortably on present income' or 'Coping on present income' are classified as not being in financial difficulty, whereas those who respond 'Finding it difficult on present income' and 'Finding it very difficult on present income' are classified as being in financial difficulty.

There was a large decline between February 2020 and April 2020 in the proportion of Australians who reported it was difficult on present income (Figure 3) as government income support was introduced and expenditure opportunities declined. This measure of financial

stress continued to decline through 2020, reaching a low of 17.2 per cent in November 2020. Between November 2020 and January 2021, however, there was a large and statistically significant increase in this percentage, to 22.5 per cent. While this is still below the pre-COVID level and may reflect seasonal patterns, a return to a more standard fiscal setting and easing of government support appears to be apparent in our tracking data.

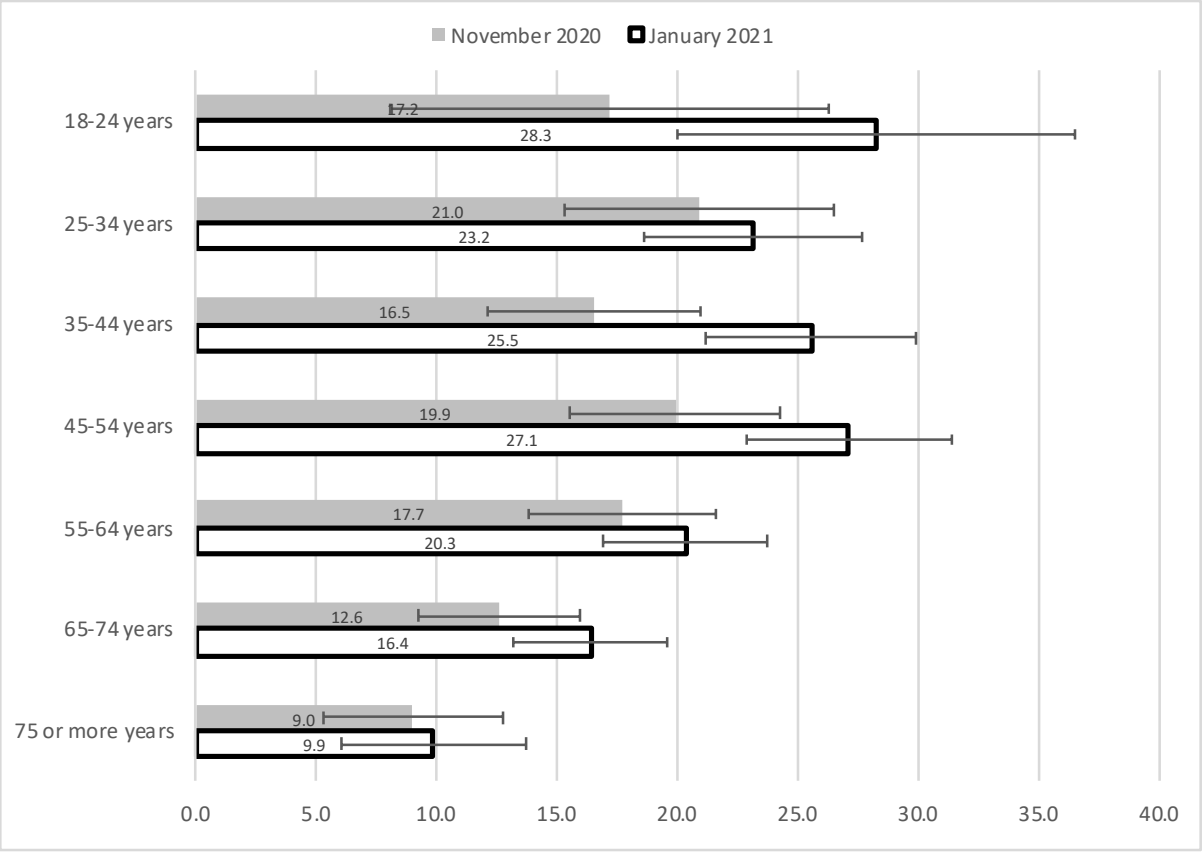
Figure 3 Finding it difficult on present income, February 2020 to January 2021.



Source: ANUpoll, October 2019, and January, April, May, August, October and November 2020, January 2021.

Two factors that were associated with the change in financial stress are age and income (as of November 2020). The biggest increase in this measure of financial stress occurred amongst those of prime working age (particularly those aged 35 to 44 years) as well as those aged 18 to 24 years old (albeit measured with large standard errors). More than a quarter of those aged 35 to 44 years say that their income is not enough for them to feel comfortable or coping, up from 16.5 per cent in November 2020 (Figure 4).

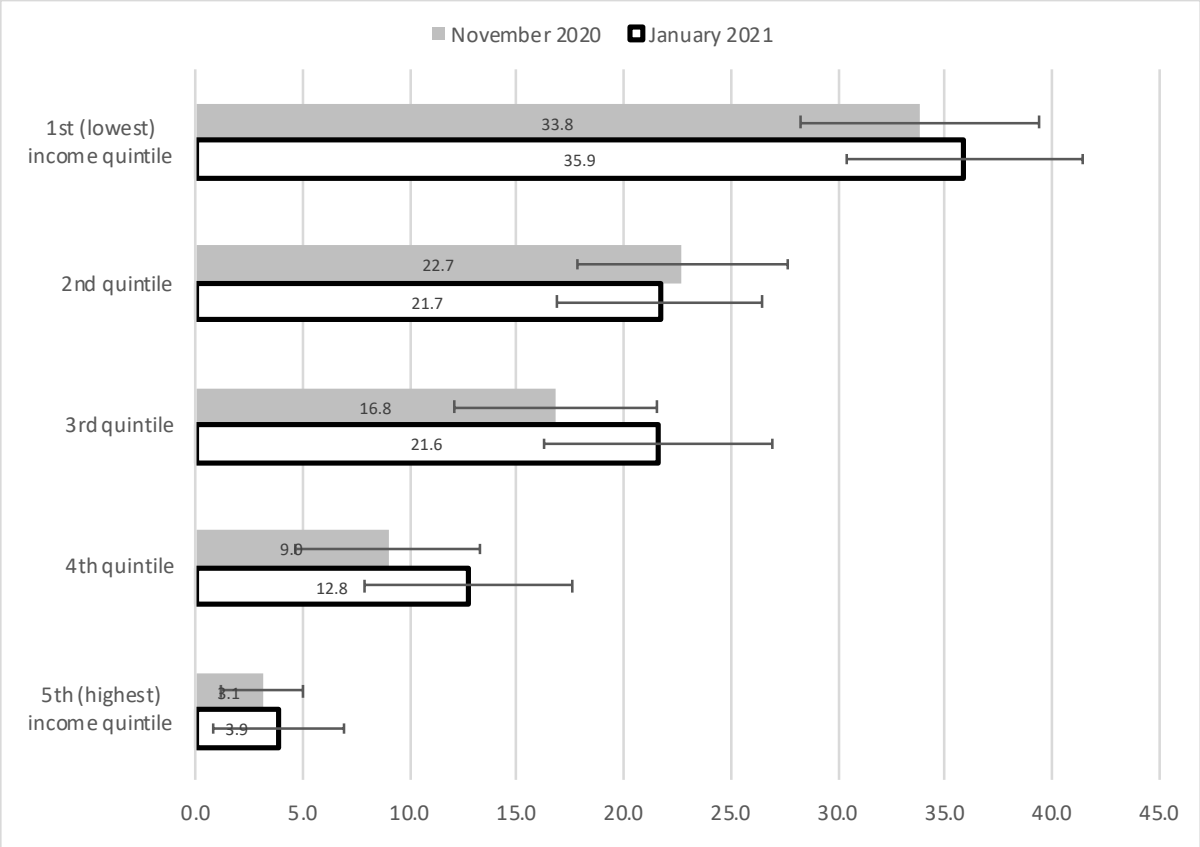
Figure 4 Finding it difficult on present income, by age, November 2020 to January 2021.



Source: ANUpoll, November 2020, January 2021.

Potentially related to the age distribution of the change in financial wellbeing, there was a much larger increase in our measure of financial stress for those in the middle, and upper-middle part of the income distribution (Figure 5). While it is certainly true that those on higher incomes are less likely to report that they are unable to get by on their present income, the change between November 2020 and January 2021 was highest for those whose household was in the second highest income as of November 2020, followed by those in the middle income quintile.

Figure 5 Finding it difficult on present income, by income quintile as of November 2020, November 2020 to January 2021.



Source: ANUpoll, November 2020, January 2021.

4 Confidence in institutions and political attitudes

4.1 Overall trends

The spread of COVID-19 and associated public health and other policy responses has led to a substantial increase in the role of government in many aspects of people's lives. From physical distancing restrictions within cities and towns to the imposition of border controls (international and State/Territory) on the public health side, to the largest wage subsidy scheme ever introduced in Australia, governments were more involved in people's lives in 2020 and into 2021 than they have been for many years, arguably since World War II. If the Australian population was dissatisfied in general with this new role or felt that it had been implemented poorly, then confidence in key institutions in Australia is likely to have declined. This has not been observed in the data, with satisfaction and confidence maintaining the very high levels we have seen throughout the pandemic.

Using a general measure to start with, satisfaction with the direction of the country remained very high in January 2021 (78.9 per cent were satisfied), similar to levels expressed in November 2020 (80.5 per cent) and substantially higher than January 2020 (59.5 per cent). Confidence in key institutions has also stayed at or close to their peaks observed over the COVID-19 period.

The highest level of confidence across the five key institutions we have asked about through the pandemic is for hospitals and the health system, with the lowest level of confidence for

the Commonwealth Government. Institutions in between were police, State/Territory governments, and the public service (in that order). In addition to some variation in levels, there are also slightly different trends over the last few months for the key institutions.

There has been a statistically significant and moderately large decline in confidence in the Federal Government between November 2020 and January 2021 (from 59.9 per cent saying they are confident to 54.3 per cent). While confidence is still far higher than it was in January 2020 (when 27.3 per cent said they were confident), there are some potential early signs of a drop in confidence for the Federal Government.

Confidence in the public service on the other hand has stayed steady at 64.5 per cent in January 2021 compared to 65.7 per cent in November 2020), as has confidence in the State/Territory government of the jurisdiction in which the individual lives at 70.4 per cent in January 2021 compared to 71.1 per cent in November 2021. In many ways, State/Territory governments have taken on greater public prominence since the start of the pandemic (and arguably during the 2019/20 Black Summer bushfire crisis), with responsibility for managing internal borders, deciding on many of the physical distancing measures, and managing the quarantine of international arrivals (despite quarantine being ultimately a Federal Government responsibility). While there have been a number of missteps with these roles, it would appear that on balance the Australian public is generally quite confident in the ability of their Premiers, Chief Ministers, and the governments that they lead to deliver on these roles.

Confidence in hospitals and the health system has remained steady, with a slight but not statistically significant increase between November 2020 and January 2021 (84.9 per cent to 85.3 per cent). Confidence in police has also remained steady, with a slight but not statistically significant decrease between November 2020 and January 2021 (78.8 per cent to 78.1 per cent).

4.2 Factors associated with confidence in institutions

While there is a strong correlation across the institutions (if you are confident in one institution then you are more likely to be confident in another), there are differences in the factors that are associated with this confidence, with some characteristics of individuals having a positive correlation with one type of institution and a negative correlation with another.

Looking across the five institutions asked about, females were relatively more confident in the Commonwealth government and police, State/Territory governments, but less confident in hospitals and the health system. Young Australians were relatively less confident in the Federal Government and (particularly) the police. Older Australians were more confident in the Commonwealth government and police, whereas, interestingly, older Australians were less confident in the public service.

Indigenous Australians were less confident in the Commonwealth government and much less confident in the police. While this dataset is not ideal for examining attitudes of Aboriginal and Torres Strait Islander Australians in depth, the fact that the difference in confidence with the police is so large provides strong evidence that the relationship between Indigenous Australians and the police is not as positive as it otherwise could be, a highly policy-relevant point given the discussion during 2020 in the US as part of the Black Lives Matter movement and related protests in Australia.

Those born overseas in an English-speaking country were more confident in the public service and State/Territory governments. This group, however, were less confident in hospitals and

the health system. Those who spoke a language other than English were slightly more confident in the Commonwealth Government, the public service

Those who have not completed Year 12 were less confident in the public service, State/Territory governments, hospitals and the health system whereas those who had a Certificate III/IV were less confident in State/Territory governments. Interestingly, there were no significant differences by degree qualification.

4.3 Views on the role of government

Given the trends in confidence in key institutions, as well as the increased role of government in people's lives during the pandemic, it might be expected that the Australian public has become more supportive of an interventionist role of governments in other non-COVID aspects of their lives and the economy. Data collected in January 2021 and prior to the pandemic provide strong evidence against this being the case. Specifically, respondents in January 2021 were asked 'On the whole, do you think it should or should not be the government's responsibility to…' with 13 potential roles of government given, and response options being Definitely should be, Probably should be, Probably should not be, and Definitely should not be. The same questions were asked in August 2018, the most recent time since before the start of the COVID-19 pandemic.

There was a small, but statistically significant decline in the number of roles that respondents thought governments should definitely be responsible for, from 6.7 on average in August 2018 to 6.4 in January 2021. Given these roles are for the most part not pandemic related, this would provide some evidence that, in the minds of the Australia public at least, COVID-19 has had more of a 'crowding out' effect than a 'slippery slope' effect.

Cross-sectionally, the role of government that had the greatest level of support in January 2021 was to provide health care for the sick (75.8 per cent of respondents think that definitely should be a role) with the lowest level of support being to provide a decent standard of living for the unemployed (33.5 per cent).

Through time, there were two roles that had a statistically significant increase in support (Figure 6) including a moderate increase in the proportion of respondents who thought governments should definitely impose strict laws to make industry reduce their environmental harm/impact and a slightly larger increase (in proportional terms) in the proportion of people who think government should provide a decent standard of living for the unemployed. The first of these may be a response to the Black Summer bushfire crisis that occurred after the last time we ran this question, with the increase in those who feel the unemployed should be supported perhaps being driven by the COVID-19 induced recession, prominence of JobSeeker/JobKeeper as a support for those who have lost their job or who are in danger of doing so, and the growing consensus around the inadequacy of unemployment payments in Australia.

There were five potential roles of government that had a decline over the same period – provide industry with the help it needs to grow, keep prices under control; provide a job for everyone who wants one; promote equality between men and women; and provide a decent standard of living for the old (in that order of relative decline).

Table 2 Demographic, socioeconomic, and geographic factors associated with confidence in institutions, marginal effects or difference in probability from base case, January 2021

	Federal government		Public service		State/Territory government		Hospitals and health systems		Police	
	M. Effect	Signif.	M. Effect	Signif.	M. Effect	Signif.	M. Effect	Signif.	M. Effect	Signif.
Female	0.047	**	0.004		0.078	***	-0.034	***	0.073	***
Aged 18 to 24 years	-0.102	**	0.055		-0.088	*	0.001		-0.163	***
Aged 25 to 34 years	-0.029		0.013		-0.023		0.011		-0.084	**
Aged 45 to 54 years	0.128	***	-0.017		0.032		0.000		0.093	***
Aged 55 to 64 years	0.088	***	-0.108	***	-0.014		-0.039	*	0.071	**
Aged 65 to 74 years	0.163	***	-0.050		0.041		-0.013		0.135	***
Aged 75 years plus	0.233	***	-0.079	*	0.023		0.022		0.140	***
Indigenous	-0.104		-0.124		-0.065		-0.111	**	-0.344	***
Born overseas in a main English speaking country	-0.008		0.067	**	0.066	**	0.007		-0.034	
Born overseas in a non-English speaking country	0.040		0.052		0.055	*	-0.047	**	-0.064	
Speaks a language other than English at home	0.072	*	0.035		0.027		-0.011		0.031	
Has not completed Year 12 or post-school qualification	-0.047		-0.163	***	-0.210	***	-0.082	***	-0.061	
Has a post graduate degree	-0.002		0.018		-0.011		0.018		-0.008	
Has an undergraduate degree	0.029		0.021		0.000		0.022		0.049	
Has a Certificate III/IV, Diploma or Associate Degree	-0.016		-0.032		-0.097	***	-0.008		0.005	
Lives in the most disadvantaged areas (1st quintile)	0.048		-0.020		0.007		-0.036	*	0.018	
Lives in next most disadvantaged areas (2nd quintile)	0.068	**	-0.007		0.027		-0.006		0.057	*
Lives in next most advantaged areas (4th quintile)	0.074	**	0.021		0.039		0.026		0.046	
Lives in the most advantaged areas (5th quintile)	0.047		0.004		-0.005		0.005		0.054	
Lives in a non-capital city	0.020		0.016		-0.023		0.003		-0.011	
Predicted probability of base case	0.401		0.670		0.706		0.902		0.715	
Sample size	3,292		3,289		3,294		3,298		3,295	

Source: ANUpoll, January 2021.

Notes: Probit Regression Model. The base case individual is female; aged 35 to 44 years; non-Indigenous; born in Australia; does not speak a language other than English at home; has completed Year 12 but does not have a post-graduate degree; lives in neither an advantaged or disadvantaged suburb (third quintile); and lives in a capital city.

Coefficients that are statistically significant at the 1 per cent level of significance are labelled ***; those significant at the 5 per cent level of significance are labelled **, and those significant at the 10 per cent level of significance are labelled *.

5 Views on the past and optimism for the future

In this section we turn to the issue of whether respondents think that their life in Australia is better now than it would have been half-a-century ago and how optimistic and hopeful they feel about the future. In January 2021, respondents were asked 'In general, would you say life in Australia is better, worse, or about the same as it was **50 years ago** for people like you?' [bold in original]. An identical question was asked in January 2020, allowing us to measure people's views about whether their life in Australia is better now than it was 50-years ago has changed over the year of the pandemic.

Perhaps surprisingly, since January 2020, there has been a small increase in the proportion of people who felt that for people like themselves life has gotten better (46.2 per cent to 49.4 per cent) over the last 50-years, a similar sized increase in the proportion of people who said that life was about the same for people like them (18.7 per cent to 24.2 per cent), and a substantial decline in the proportion of people who said that life has gotten worse (from 35.1 per cent to 26.4 per cent). Keeping in mind that the last time we asked these questions was during the Black Summer bushfire crisis, it would appear that post-fires and now that the virus appears to be under control in Australia at least for the time being, people are increasingly of the view that life has improved over the long term.

People are also generally more optimistic about the future now than they were one year ago. Respondents were asked: In general, would you say life in Australia will be better, worse, or about the same in **50 years** as it is now for people like you?' [bold in original]. Between January 2020 and January 2021 there was an increase in the per cent of people who thought that life would be better in 50 years, from 20.1 per cent to 24.5 per cent. There was an even larger increase in the proportion of people who thought that life would be about the same, from 23.6 per cent to 34.7 per cent. There was a corresponding very large decline in the per cent of people who thought that life would be worse, from 56.4 per cent to 40.8 per cent. It may not, at the moment, be the best of times, but Australians clearly do not think it is the worst of times.

Respondents were also asked about more short-term change. The survey included one retrospective question (Since 2008, do you think that your life is…?'); and one prospective question ('In five years, do you think that your life in Australia will be…?). The response categories were: Much improved; A little improved; Same as now; A little worse; and Much worse

Combining the much and the little improved categories, there was a small increase from January 2020, from 57.8 per cent identifying a short-term improvement since 2008 to 60.4 per cent identifying a short-term improvement in January 2021. There was no change in the proportion of people who thought their life was about the same (16.5 per cent in January 2021 compared to 16.3 per cent in January 2020), and therefore a small decline in the proportion of people who thought their life was a little or much worse since 2008 (25.9 per cent in January 2020 to 23.1 per cent in January 2021).

There was a somewhat larger increase in the proportion of people who felt their life would be improved in five years, from 38.7 per cent in January 2020 to 44.8 per cent in January 2021. There was also an increase in the proportion of people who felt that their life would be about the same (from 30.6 per cent to 33.9 per cent), which means that there was a very large decline in the proportion of people who felt that their life would be a little worse or much worse in

five years hence, decreasing from 30.7 per cent in January 2020 to 21.3 per cent in January 2021.

To help explain these changes, we asked respondents in January 2021 about very short-term fluctuations, first with a retrospective question ('Since the start of 2020, do you think that your life is…?') and then a prospective question ('In 2022, do you think that your life in Australia will be…?). A little less than a quarter of Australians (25.2 per cent) thought that their life had improved (much, or a little) since January 2020, with the most common response being that their life was the same as it was previously (42.2 per cent). A little under a third of Australians (32.6 per cent) thought that their life had worsened since immediately prior to the pandemic.

There was much stronger support for the view that life would be better in Australia over the next 12-months. A little under half the sample (46.6 per cent) thought that their life in 2022 would be a little or much improved, with the next largest group (39.2 per cent) thinking that their life would be about the same. This leaves only 14.1 per cent who felt that their life would be worse in 2022 than it was in 2021.

Considering this data together, our assessment is that it is highly likely that the major reason for any change is due to their experience and views of the present having changed rather than a reassessment of the past, though we can't discount that as being a possibility as well.

Who is optimistic about the next 12-months in Australia? According to data from the January 2021 ANUpoll, it would appear to be young Australians, and those with at least a Bachelor Degree. While these results hold in a more detailed regression model (Table 3), the unconditional percentages are quite clear as well. Combining the 'much' and 'a little' categories, 69.2 per cent of Australians aged 18 to 24 years think their life will be better in 2022, alongside 61.0 per cent of those aged 25 to 34 years. At the other end of the age distribution, only 21.9 per cent of those aged 75 years and over thought their life would be better, alongside 29.2 per cent of those aged 65 years and over. While this may result from the more positive trajectory that young people tend to think will occur across their lives, it may also be explained in part by the overly large negative impact that the pandemic had on young Australians in 2020 (documented earlier in this paper).

Perhaps reflecting the role of credentials in the Australian labour market, those with a Bachelor or Postgraduate degree were far more likely to think their life will be better in a year's time (54.9 per cent and 54.6 per cent respectively) than those without a degree (44.2 per cent).

Table 3 Demographic, socioeconomic, and geographic factors associated with optimism for the future, marginal effects or difference in probability from base case, January 2021

	Marginal effect	Signif.
Female	-0.019	
Aged 18 to 24 years	0.205	***
Aged 25 to 34 years	0.128	***
Aged 45 to 54 years	-0.030	
Aged 55 to 64 years	-0.109	***
Aged 65 to 74 years	-0.172	***
Aged 75 years plus	-0.226	***
Indigenous	0.030	
Born overseas in a main English speaking country	-0.001	
Born overseas in a non-English speaking country	0.001	
Speaks a language other than English at home	0.058	
Has not completed Year 12 or post-school qualification	-0.048	
Has a post graduate degree	0.070	*
Has an undergraduate degree	0.066	*
Has a Certificate III/IV, Diploma or Associate Degree	0.024	
Lives in the most disadvantaged areas (1st quintile)	0.051	
Lives in next most disadvantaged areas (2nd quintile)	0.013	
Lives in next most advantaged areas (4th quintile)	0.058	
Lives in the most advantaged areas (5th quintile)	0.048	
Lives in a non-capital city	-0.004	
Predicted probability of base case	0.427	
Sample size	3,267	

Source: ANUpoll, January 2021.

Notes: Probit Regression Model. The base case individual is female; aged 35 to 44; non-Indigenous; born in Australia; does not speak a language other than English at home; has completed Year 12 but does not have a post-graduate degree; lives in neither an advantaged or disadvantaged suburb (third quintile); and lives in a capital city.

Coefficients that are statistically significant at the 1 per cent level of significance are labelled ***; those significant at the 5 per cent level of significance are labelled **, and those significant at the 10 per cent level of significance are labelled *.

6 Concluding comments

At the start of this paper we posed the question as to whether the relatively low rates of COVID-19 infections in Australia are translating into positive wellbeing outcomes and views towards the future, or whether the uncertainty still present and intermittent local lockdowns are having ongoing negative impacts on the Australian population. These two conclusions aren't mutually exclusive, of course, and it was always likely that some people are doing relatively well whilst others are struggling. On balance though, using carefully constructed repeated cross-sectional and longitudinal data, it would appear that more Australians are doing ok and are optimistic about the future.

Anxiety and worry due to COVID-19 and expectations of infection are significantly down from their peak in mid-2020, albeit remaining reasonably steady since November 2020. Life satisfaction continues to be at a higher level than just prior to the COVID-19 pandemic, and levels of psychological distress are lower than they have been since the spread of the disease in Australia. There are some slightly more negative trends, with Australians slightly less likely to feel that they can get by on their current income, and less likely to be confident in the

Federal government than they were in November 2020. Confidence in other key institutions remained high (particularly trust in hospitals and the health care system), and there was no large increase in support for more government intervention. In fact, there was less support for many potential roles of government than in our pre-COVID baseline. But there are some initial signs that the economic uncertainty is beginning to overshadow public health concerns.

One of the key findings from our initial analysis of January 2021 survey results is that Australians are more optimistic about improvements to their life in the future now than they were in January 2020 (particularly young Australians) with a little under half the sample (46.6 per cent) thinking that their life in 2022 would be a little or much improved and only 14.1 per cent thinking that their life will be worse. As Australia waits for the mass roll-out of the COVID-19 vaccine and hopes for a return to a 'new normal', our survey shows a degree of cautious optimism amongst the Australian population.

Appendix 1 About the survey

The primary source of data for this paper is the January ANUpoll. The Social Research Centre collected data online and through Computer Assisted Telephone Interviewing (CATI) in order to ensure representation from the offline Australian population. Around 4.9 per cent of interviews were collected via CATI. The contact methodology adopted for the online Life in Australia™ members is an initial survey invitation via email and SMS (where available), followed by multiple email reminders and a reminder SMS. Telephone non-response of panel members who have not yet completed the survey commenced in the second week of fieldwork and consisted of reminder calls encouraging completion of the online survey.

The contact methodology for offline Life in Australia™ members was an initial SMS (where available), followed by an extended call-cycle over a two-week period. A reminder SMS was also sent in the second week of fieldwork.

A total of 4,055 respondents were invited to take part in the survey, leading to a wave-specific completion rate of 85.3 per cent. Taking into account recruitment to the panel, the cumulative response rate for this survey is around 7.3 per cent.

Unless otherwise stated, data in the paper is weighted to population benchmarks. For Life in Australia™, the approach for deriving weights generally consists of the following steps:

1. Compute a base weight for each respondent as the product of two weights:
    a. Their enrolment weight, accounting for the initial chances of selection and subsequent post-stratification to key demographic benchmarks
    b. Their response propensity weight, estimated from enrolment information available for both respondents and non-respondents to the present wave.
2. Adjust the base weights so that they satisfy the latest population benchmarks for several demographic characteristics.

The ethical aspects of this research have been approved by the ANU Human Research Ethics Committee (2014/241).

The previous waves of data collection consisted of a 15-20 minute survey, with the October 2020 survey slightly less than five minutes in length. A full-length survey was conducted in November 2020 with a further survey scheduled for April 2021.

A high proportion of respondents to the January survey (85.9 per cent) had been interviewed at least once since January 2020, with a number of new participants added to replace those who dropped out of Life in Australia™ over time and thus to maintain its representativeness or the Australian population. A slightly lower proportion of the sample (80.9 per cent) were interviewed in the November 2020 sample specifically, meaning we have a very large sample of Australians for whom we can track outcomes over the COVID-19 period, as well as over the two months preceding the survey.

References

Kessler, R.C., G. Andrews, L.J. Colpe, E. Hiripi, D.K. Mroczek, S.L. Normand, E.E., Walters and A.M. Zaslavsky, (2002). "Short screening scales to monitor population prevalences and trends in non-specific psychological distress." P*sychological Medicine*, 32(6): 959-976.

Endnotes

1 https://ourworldindata.org/coronavirus-data-explorer

2 https://www.health.gov.au/news/health-alerts/novel-coronavirus-2019-ncov-health-alert/advice-for-people-at-risk-of-coronavirus-covid-19/coronavirus-covid-19-advice-for-aboriginal-and-torres-strait-islander-peoples-and-remote-communities

3 The K6 comprises six items and has been widely used and validated in many epidemiological studies (e.g., Kessler et al., 2002).