

The Trust 10

01 A sense of inequity is undermining trust

Globally, there is a 14-point difference between the more trusting informed public and the more skeptical mass population. In Australia, this difference is even more pronounced. 2020 saw Australia's highest gap on record, with a 23-point difference between the informed public and mass population, marking the largest trust inequality of any market.

02 Environmental concerns dominate

Following the 2019/20 bushfires, a supplementary trust study found that the gap between the informed public and mass population narrowed by 9 points to a 14-point gap. Trust among the informed public declined, while the mass population stayed the same. The environment is a source of concern for 89% of Australians, with the bushfires, drought and global warming contributing factors.

03 Australians say businesses should embrace an all-stakeholder model

Australians cite unfair and unequal treatment of stakeholders as key reasons for declining trust in business. Ninety-one per cent of Australians believe that all stakeholders, not just shareholders, are most important to long-term company success, while over half (59%) believe that business serves the interests of only a few.

04 Fears about the future are eclipsing hopes

Eighty percent of Australian employees are worried about losing their job due to the rise of the gig and freelance economy, lack of training or skills and the looming recession among other issues. Sixty-nine percent of the population agree they don't have confidence in the government to understand the emerging technologies enough to regulate them, contributing to the future fear.

05 Trust is built on ethics and competence

People grant their trust based on two dimensions: competence (getting things done) and ethical behaviour (doing the right thing and working to improve society).

06 No institution is seen as both competent and ethical

Business was viewed as the only competent institution, holding a 56-point edge over government. NGOs are seen as the only ethical institution leading by 21 points over business. Government and media are seen as neither competent or ethical, with government ranking significantly lower on both scales than the other three institutions.

07 Ethical drivers are three times more important to company trust than competence

Our Edelman Trust Management study, with data tracked across 40 major companies in three markets showed that ethical drivers such as integrity, dependability and purpose drive 76% of the trust capital of a company, while competence accounts for only 24%.

08 Capitalism is under fire

Despite Australia entering its 28th year of consecutive annual economic growth, only a third of Australians believe they will be better off in five years' time, and half of the population believe that capitalism as it exists today is now doing more harm than good in the world.

09 Partnerships between institutions is critical

Australians believe the way to address institutional failures is to partner on key issues such as protecting workers and workforce retraining. Despite this, a supplementary trust study showed 53% believe the government is ineffective at creating partnerships to achieve common goals, while 56% cite government's inability to listen or consider stakeholder needs as key reasons for their declining trust.

10 CEOs expected to lead

Eighty-six percent of Australian employees think it's important that their CEO speak out on societal issues such as training for jobs of the future, diversity and ethical use of technology. Over three-quarters of Australians believe CEOs should take the lead on change rather than waiting for government to impose it, increasing 13-points from 2018.