

Australians Consider Innovation An Important National Priority

**By Michele Levine, Chief Executive
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*“Australia is a Lucky country but more Australians wish we were a Clever country,
and even more want Australia to be a Caring country.”*

*“In the longer term, Australians want the Government to ‘promote infrastructure
development’ and ‘overcome the skills shortage’. But in the next six months, Australians want
the Number One priority to be ‘a balanced budget and no increase in debt’.”*

*“Three years ago Australians’ biggest concern was Terrorism, Wars, Security and Safety.
Early this year the biggest concern was the Environment, Climate change,
Water conservation, and other Environmental issues.
Now Australians’ biggest concern is the Economy, the global Financial crisis, Interest rates.
This is the changing social context within which Innovation must exist and be relevant.”*

Many have articulated their protocols for good Innovation and good innovative practices relating to Education, Taxation, Philanthropy, Innovation communities, Innovation policy & Intellectual property.

However the real debate is more dynamic and thus more fundamental, rooted in society’s needs, wants and expectations. This special Roy Morgan Research study was designed to understand what the public think about Innovation, what Innovation means to them, and where they believe the focus should be.

The majority of Australians (76%) consider Innovation an important National priority. However this does not mean we are a nation of ‘nerds’ – far from it. Australians view ‘Innovation’ in very diverse and interesting ways. While many associate Innovation with Science and Technology, and hopes for Environmental alternatives, ‘Innovation’ is more broadly considered to be any new ideas, creativity, imagination and thinking ‘outside the square’.

Many Australians are positively philosophical about Innovation – seeing it as improving quality of life, trying to make the world a better place and having relevance for Social issues, social justice and cultural issues.

Although Australians generally consider Australia is a ‘Lucky country’ (57%), as a nation, we would prefer Australia to be a ‘Caring country’ (48%) or a ‘Clever country’ (37%), ahead of a ‘Lucky country’ (14%). These values permeate Australians’ priorities in relation to Innovation.

The research conducted in November 2008 among an Australia-wide cross-section of 648 people was both **qualitative** (in that people were asked to use their own words) and **quantitative** (in that the ‘open-ended’ responses were analysed and ‘coded’ so that the results could be counted and reported as percentages). In addition to asking specific questions about Innovation, the research asked about global and Australian problems and Governmental priorities so as to provide a context for the research findings about Innovation. Wherever possible, questions were used that had been asked before to enable comparisons to be made with benchmarks. This was particularly important as the research was conducted during a period of global financial turmoil or crisis.

The research also draws on the Roy Morgan *Values Segments*¹ to provide a more in-depth analysis of the differences within Australia – specifically the different ways specific groups of Australians think about Innovation.

Issues Facing The World and Australia

Economic issues dominate the minds of Australians today. Economic issues are seen by 37% of Australians as the single most important problem facing the **World** today, ahead of the Environment at 26% and Terrorism and Security issues at 9% and Social issues, also 9%.

The economy is also seen as the biggest problem facing **Australia** today by 30% of Australians, ahead of Environmental issues (25%) and Social issues (11%).

The last few years have seen real change in the issues facing the world and Australia and in the way that Australians view their global and local socio-political environment.

In 2005 Terrorism, Wars, Security and Safety were seen by 52% of Australians as the most important problem facing the **World** – ahead of Economic issues (16%), and Environmental issues (12%). Even for **Australia**, Terrorism, Wars, Security and Safety issues was seen as the biggest problem (21%) ahead of Environmental issues (15%), and Economic issues (14%).

In early 2008, before news of the global financial crisis dominated the media, the Environment had moved to first place. As a **World** problem, 35% of Australians (up from 12% in 2005) considered the Environment the biggest problem, ahead of Economic issues (24%) and Terrorism, Wars, Safety and Security (14%, down from 52% in 2005). 30% of Australians considered the Environment the biggest problem facing **Australia**, ahead of Economic issues (23%) and Social issues such as Education, Drugs, and other Societal problems (11%). By 2008, concerns about Terrorism were only seen as a major issue of Australia by 3% (down 21%).

Respondents were asked: “*Firstly, what do you think is the most important problem facing the World today?*” and “*What do you think is the most important problem facing Australia today?*”

Table 1 shows the detailed responses over four waves of interviewing.

¹ Devised by Michele Levine of Roy Morgan Research and Colin Benjamin of the Horizons Network

Table 1: Most important problem facing the world and Australia

	Most important problem facing the World				Most important problem facing Australia			
	2005 (%)	2006 (%)	Mar08 (%)	Nov08 (%)	2005 (%)	2006 (%)	Mar08 (%)	Nov08 (%)
Terrorism	46	20	4	2	19	6	1	*
Wars and conflicts	6	11	10	6	2	2	2	*
Security, Safety	-	1	-	1	-	1	-	*
Relations with other countries	-	-	-	-	-	3	-	*
Total Terrorism/Wars/Security/Safety	52	32	14	9	21	12	3	1
Economic problems/ interest rates/ inflation	3	1	8	26	6	2	18	24
Industrial relations reforms	-	-	-	-	-	6	-	-
Poverty, The gap between rich and poor	10	16	11	8	4	4	3	2
Unemployment	*	*	1	1	2	5	1	2
Over-population	1	1	3	2	*	*	1	1
Insufficient population growth/Ageing population	-	-	-	-	-	-	-	-
Globalisation/Fairer world trade	1	1	1	1	1	2	-	*
Infrastructure	-	-	-	-	-	1	-	1
Total Economic issues	16	19	24	37	14	20	23	30
Water conservation	1	1	3	*	8	3	-	7
Climate Change / Global warming	4	5	18	14	2	1	7	11
Famine	-	2	4	4	-	-	-	-
Drought	-	-	-	*	-	-	4	2
Management / Mismanagement of Natural Resources (water)	-	-	-	-	-	-	13	-
Other Environmental issues	7	6	10	8	4	4	6	5
Total Environmental issues	12	14	35	26	15	8	30	25
Petrol prices	1	*	2	1	6	1	2	1
Energy crisis	1	1	2	*	1	*	1	*
Depletion of fossil fuels	*	*	1	*	1	*	1	-
Total Energy Crisis/Depletion of Fossil Fuels/Petrol Prices	2	1	5	2	8	1	4	1
Bird flu	*	1	-	-	1	-	-	-
Other health issues	1	3	2	1	5	9	4	3
Total Health Issues	2	4	2	1	6	9	4	3
Corruption	*	*	1	*	*	*	-	-
Greed, Materialism	1	3	1	3	*	*	1	1
Drugs and drug abuse	*	2	1	1	1	2	2	3
Educational issues	*	1	1	1	2	2	2	2
Crime	*	1	1	*	*	2	1	1
Youth issues	-	1	1	1	-	2	2	2
Anger/Violence/Aggression	-	1	-	1	-	*	-	-
Social apathy/Family breakdowns/ Selfishness/Moral decline	-	2	2	2	-	3	3	2
Lack of social cohesion / social disconnection	-	-	-	-	-	-	-	-
Indigenous disadvantage	-	-	-	-	-	-	-	-
Cultural development	-	-	-	-	-	-	-	-
Total Social issues	3	11	10	9	4	11	11	11
Government, Politics, Political system	1	2	1	1	9	8 ¹	3	5
Religion, Religious fundamentalism	2	5	1	3	1	2	-	-
Human rights	*	*	1	*	1	1	-	-
Refugees, Refugee and asylum problems	-	-	-	-	1	2	-	-
Immigration, Immigration policy	-	1	-	*	1	5	3	3
Intolerance	1	3	1	1	*	3	1	*
Racism/Racial tensions	-	2	-	*	-	2	2	1
Multiculturalism	-	*	-	*	-	2	2	2
John Howard/Howard Government	-	-	-	-	-	1	-	-
Total Government, Human Issues	4	13	4	6	13	25	11	11
Other	8	3	4	6	14	8	9	10
Can't say	1	3	2	4	5	6	5	8
Total	100	100	100	100	100	100	100	100

* Less than 1%

¹Includes specific John Howard/Howard Government

Australians' Governmental Policy Priorities

Australians are clear that, in the next six months, the 'Number One' priority for Government Policy is 'Maintaining a balanced budget and no increase in public debt' (36%), well ahead of 'Promoting infrastructure development' (23%) and 'Overcoming the skills shortage' (21%).

In the longer term, over the next ten years, Australians are less concerned about 'Maintaining a balanced budget' (21%) and consider the Government Policy priorities should be 'Promoting infrastructure development' (32%) and 'Overcoming the skills shortage' (30%).

Respondents were asked: *Which ONE of the following should be the Number One priority for Government Policy over the next 10 years? Which ONE of the following should be the Number One priority for Government Policy over the next six months?*

Table 2: Number One priority for Government Policy

	Over Next 10 Years		In Next Six Months
	May 2008	November 2008	November 2008
	%	%	%
Promoting infrastructure development	29	32	23
Overcoming the skills shortage	28	30	21
Budget and no increase in public debt	30	21	36
Driving productivity growth	8	11	15
Can't Say	5	6	5
	100	100	100

What Innovation means to Australians

Innovation means many things to Australians. When asked "*When you think of Innovation what comes to mind?*" The most common theme was about *new ideas* in general. Words like *creativity, imagination, new ways of doing things, and thinking outside the square* were used.

Other themes were around technology, with 10% mentioning *new technology* or *technological development*: Computers (2.5%), IT and Telecommunications (2.5%), Medical research, Health care and Hospitals was another theme mentioned by 4.5%.

Table 3 shows Australians' responses in rank order.

Clearly, some of these responses could be grouped into broad classifications. However, rather than risk losing the nuances and insights that the respondents' words provide, the responses have been left in their relatively fine detail.

Table 3: What Innovation means to Australians

<i>When you think about Innovation, what comes to mind?</i>	Australia 2008 (%)
New Ideas/Creativity/Imagination/Improvements/New ways of doing things better/Thinking outside the square	25
New technology/New technology and development	10
Power/Energy/Research into alternative energy sources/ Renewable energy/New fuels/Using less fossil fuels	5
New products/Development of new products/ New products to make life easier	4.5
Medical science/Health care/Hospitals	4.5
Progress/Growth/Moving forward	2.5
Science/Scientific research and development	2.5
Environmental issues/Controlling climate change/Combating greenhouse gas/Reducing carbon emissions	2.5
Computers/Advances in computer technology	2.5
IT/Communications/The Internet/Telecommunications	2.5
Education	1.5
New ways of dealing with existing problems/Creating ideas to fix things	1
A good/better future/Trying to make the world a better place	1
Improving quality of life/Creating something better for a good life	1
Research/Research and development	1
Fuel efficient motor vehicles/Hybrid cars/Low emissions vehicles	1
Water conservation/Desalination	1
Mobile phones	1
Industry/Manufacturing/Production	1
Infrastructure	0.5
Transport/Public transport	0.5
Other	18
Can't say	29
Nothing	2

Areas Australians consider important for Innovation

Medical science, Health care and Hospitals was mentioned as the most important area for Innovation by 14% of Australians. Second most mentioned were the related Environmental themes – the broad Environmental theme – Environmental issues/Pollution/Carbon emissions/Global warming/Climate change (8%) and the more specific Power/Energy issue including research into alternative energy sources, etc.

Innovation in Education was considered an important priority for 8%. And a range of other issues such as the Economy, Social issues, Cultural issues, Law & order and Police were also mentioned, demonstrating clearly that Australians have a diverse view of Innovation.

Table 4: Areas Australia considers important for Australia

<i>In what areas in particular is Innovation important?</i>	Australia 2008 (%)
Medical science/Health care/Hospitals	14
Power/Energy/Research into alternative energy sources/ Renewable energy/New fuels/Using less fossil fuels	8
Environmental issues/Pollution/Carbon emissions/ Global warming/Climate change	8
Education	8
Technology	6
Industry/Manufacturing/Production	6
All areas/Everything/Across the board	5
Economy/Global economy/Financial market	4
Social issues/Social structure/Problems/To have a better life	4
Employment/Creating jobs/Job Security	4
Water conservation/Desalination	3.5
Science/Scientific research and development	3
Primary industry/Agriculture/Help farmers stay on the land	3
Infrastructure	3
To keep up with progress/To get ahead/Move forward	2
IT/Communications/The Internet/Telecommunications	2
Skills/Skills shortage/Employment skills/Training	2
Transport/Public transport	2
Politics/Politicians/The Government	2
Fuel/Fuel efficiency	2
Motor vehicles/Fuel efficient cars	1
Cultural understanding/Bringing cultures together	1
Law and order/Social justice/Police	1
Share market	*
Other	12
Can't say	12

*Less than 0.5%

Australians' Priorities for Investment in Innovation

In terms of priority for investment in Innovation, despite 34% saying focus in areas where Australia has particular strengths, 41% believe investment should be in areas where Australia faces particular challenges. 21% want investment in Innovation in making our manufacturing industries more competitive. 4% can't say.

To help focus the research and provide solid quantified data that can be used as a benchmark, people surveyed were asked "*Thinking now generally about Australia as a country, should we focus investment in Innovation-in industry areas where Australia has natural strengths, in areas where Australia faces special challenges or making our manufacturing industries more competitive?*"

Table 5: Australians' priorities for Investment in Innovation

In areas where Australia faces special challenges	41%
In industry areas where Australia has natural strengths	34%
Making our manufacturing industries more competitive	21%
Can't Say	4%

Australia the Lucky/Clever/Caring country

While a clear majority of Australians consider Australia is a Lucky country (57%) our preferred position is to be a Caring country (48%) or a Clever country (37%). Only 14% want Australia to be a Lucky country and 1% Can't say.

People surveyed were asked "*Which ONE best describes Australia – lucky country, clever country or caring country? And 'Which ONE would you prefer it to be?'*"

Table 6: How Australians describe Australia and what Australians would prefer

	<u>Best Describes</u>	<u>Would prefer to be</u>
Lucky country	57%	14%
Clever country	15%	37%
Caring country	24%	48%
Can't Say	4%	1%

Of course Australians are not an amorphous 'mass' of people, essentially indistinguishable from each other. The reality is there are all sorts of people, in different circumstances, with different backgrounds, beliefs and values. They have very different ways of viewing the world, and everything that goes on in the market.

Roy Morgan Research, in conjunction with Colin Benjamin of The Horizons Network, developed a powerful values-based psychological segmentation instrument, Roy Morgan *Values Segments* to help us understand the choices people make.

Our insight into these Roy Morgan *Values Segments* draws on analysis of the Roy Morgan Single Source database, which includes detailed personal interviews with over a million people across Australia over more than two decades (currently 50,000 interviews annually).

For instance, considering the concept of technology:

- For the older *Basic Needs* segment, the concept of technology means ‘medical technology’ but now extends beyond medical technology to include health monitoring and maintenance, Security systems and person-to-person contact via media and telecommunications.
- For the young carefree *Look At Me* segment, technology means entertainment and leisure systems but now includes more options at lower cost, flexibility with sound systems (any music, anywhere), online games.
- For the disenfranchised *A Fairer Deal* segment technology means robotics and fear of technology taking over jobs and controlling their lives. It now means concerns about privacy, instant access to news and information.

Figure 1 shows how the different *Values Segments* view Innovation and prioritise Innovation (top 3-4 areas). There is a remarkable degree of consistency across the different segments in terms of Innovation priorities – Medical science being in the top three priorities for all except the young *Look At Me* segment.












The top three segments in terms of Socio-economic status, and especially Education, are in agreement on the focus on Innovation for power and alternative energy sources; and almost all segments consider Innovation important in providing solutions to the Environmental problems.

Overall, Innovation is seen positively across the board and all Societal segments can see the relevance of Innovation to issues that relate to them or that they consider important.

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Figure 1 **Roy Morgan Values Segments**

          										
	Basic Needs	A Fairer Deal	Traditional Family Life	Conventional Family Life	Look At Me	Something Better	Real Conservatism	Young Optimism	Visible Achievement	Socially Aware
Profile snapshot descriptions:	This segment is usually associated with a pattern of thinking of older or ill people who have less than average income and/or mobility and who tend to be focused on 'getting by' on a day to day basis	This segment is usually associated with hard working people within low income households and an above average belief that they get a raw deal out of life	This segment is usually associated with the over 50s group who value and try to hold onto traditional family values after becoming empty nest households, post or close to retirement age	This segment represents the core of the Middle Family Life Australian household with values centred around the significant events in their personal and family life	This segment is usually associated with teenage interests, looking for fun and freedom with fellow students and work mates away from their family	This segment is usually associated with young families wanting a bigger, better deal out of their life, struggling with credit and mortgage bills	This segment is usually associated with a cautious approach to new things and ideas, conservative social attitudes and high levels of brand loyalty	This segment is usually associated with optimism and seeking to improve their prospects in life to gain a respected career and a good place in society	This segment is usually associated with visible success stories living in affluent suburbs and retaining traditional family values and expectations	This segment is usually associated with above average levels of post-secondary education, community minded and socially active professionals
Innovation means:	New ideas, and ways of doing things (7%) Making the world a better place (7%)	New ideas and ways of doing things (16%) Education (5%) Making the world a better place (4%)	New ideas and ways of doing things (16%) Alternative energy (5%) Medical Science (5%)	New Ideas and ways of doing things (17%) New Technology (11%) Medical science (5%)	New Ideas and ways of doing things (21%) New products (6%) Progress (6%) Technology (6%)	New Ideas and ways of doing things (20%) New technology (7%) Mobile phones (6%) Power, energy alternatives (6%)	New Ideas and ways of doing things (32%) New technology (16%) Science (11%) Power, energy alternatives (5%)	New Ideas and ways of doing things (52%) New technology (11%) Medical science (9%) Progress, growth (6%)	New Ideas and ways of doing things (30%) New Technology (17%) Power, energy Alternatives (8%) Medical Science (7%)	New Ideas and ways of doing things (29%) New technology (16%) Power, energy alternatives (9%) Science (8%)
Where innovation is important:	Medical Science (13%) Education (13%) Government/ politician (7%)	Medical Science (8%) Economy (8%) Jobs, employment (7%)	Medical Science (13%) Environment (7%) Education (7%) Industry/ manufacturing/ production (7%)	Medical Science (19%) Education (9%) Environment (7%)	Environment (9%) Everything across the board (9%) Technology (5%)	Power, energy alternatives (12%) Medical science (11%) Everything across the board (8%) Economy (7%)	Medical science (17%) Environmental issues (11%) Everything across the board (10%) Economy (10%)	Environment (16%) Education (13) Power, energy alternatives (10%)	Medical science (19%) Technology (13%) Power, energy alternatives (12%)	Medical science (20%) Power, energy alternatives (14%) Science, scientific research (12%) Education (11%)
<i>Roy Morgan Values Segments</i> devised by Michele Levine of Roy Morgan Research and Colin Benjamin of The Horizons Network.										