

Melbourne, Australia – Open For Business

Presented by
Charles Curwen, C.V.O., O.B.E. (HON.LL.D.)
Official Secretary, Office of the Governor of Victoria, Australia

San Francisco, USA, June 25, 2005

Research and Analysis by
Michele Levine, Chief Executive
Gary Morgan, Executive Chairman
Roy Morgan Research Pty Ltd

Earlier in the week I visited the National Constitution Centre. A wonderful display only 2 years old but something we should do in Australia for our children and forbears. There I saw two comments that have stuck in my mind:

1. “Public opinion in this country is everything” - Abraham Lincoln
2. “The whole structure of democracy rests on public opinion” - Frank D Roosevelt

I saw something else which went something like this: “The only person that is more superior to the President is a citizen.”

Makes you think!

I want to encourage you all to make the first visit to Australia and Victoria.

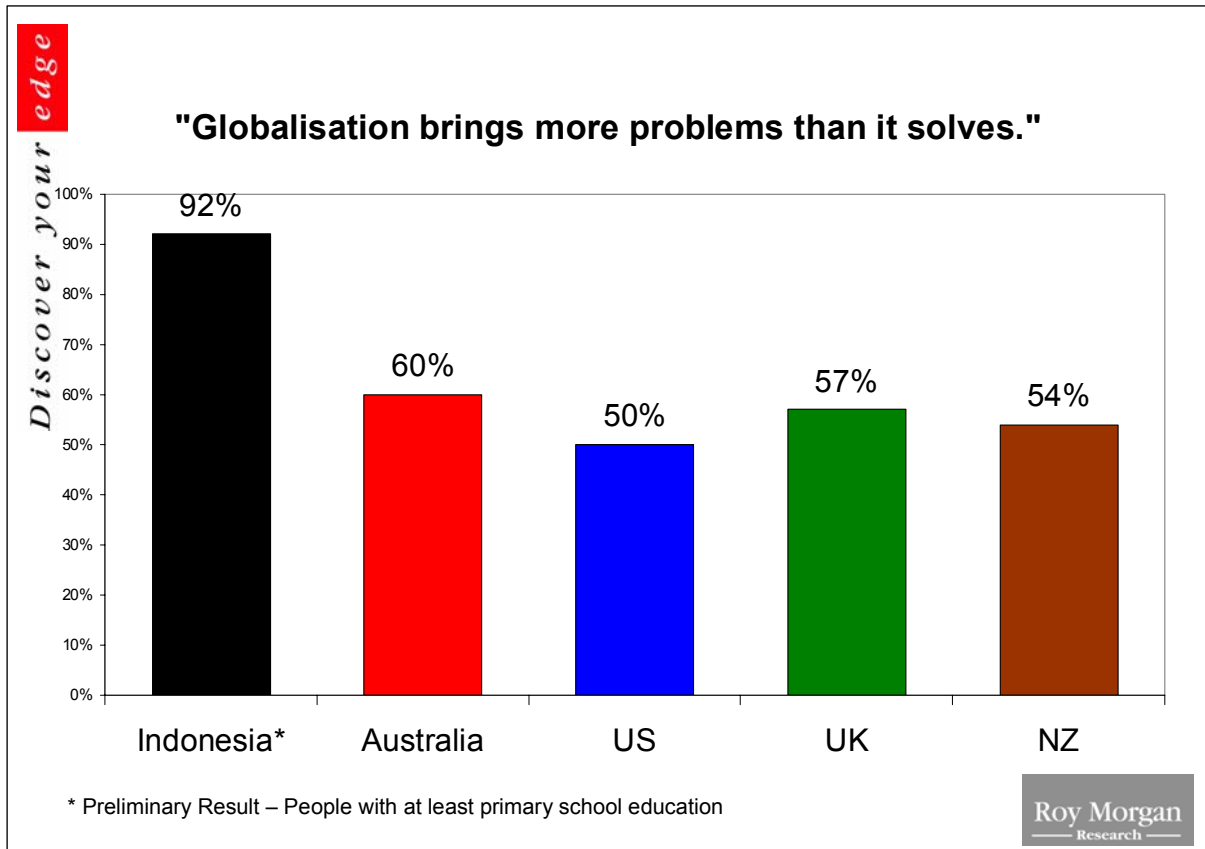
I am aware that Melbourne has wonderful attractions, twice mentioned by the Economist in the last ten years as the most liveable city in the world. The new MCG stadium is said to be the biggest and best in the world. And yes we are in Good Health, Well Educated, and Play Golf – there are also Surf Beaches, Race Tracks, Tennis Courts, Botanical Gardens, Medical Institutes and much more!

Australia is a great base for doing business with Asia (CHINA) and Victoria is even better!

Victoria is 3% of the land mass of Australia and 3% of the arable land producing 26% of the food and agricultural product, 64% of milk and 85% of milk and dairy products. It has great drinking water and plenty of good soil.

Now let me give you some more facts from Roy Morgan Research who are Australian with operations also in the US, UK, New Zealand and Indonesia. This Melbourne based information business is Australia’s window on the world.

“Globalisation brings more problems than it solves” is a fairly widely held view – even in the US. The latest Roy Morgan International research¹ shows that a majority of Australians (60%) believe “Globalisation brings more problems than it solves”, as do 57% in the UK, 54% in New Zealand and 50% in the US. But nothing prepared us for the overwhelming response from Indonesia – 92% of Indonesians believe “Globalisation brings more problems than it solves.”²



¹ Roy Morgan International research is part of the continuous Roy Morgan Single Source Survey

http://www.roymorgan.com/products/single-source/single-source_home.cfm

The data reported in this paper is based on surveying cross-sections of the population aged 14 years and over:

- In Australia: 27,659 interviews October 2003 - March 2004
- In USA: 2,499 interviews October 2003 – February 2004
- In UK: 1,570 interviews October 2003 – February 2004
- In NZ: 4,958 interviews October 2003 – February 2004
- In Indonesia: 1,973 interviews March 2004 – May 2004

http://www.roymorgan.com/products/single-source/single-source_home.cfm

² From “The Mood of the Electorate and the Federal Election (4 days after the bombing of the Australian Embassy in Jakarta)” September 2004 <http://www.roymorgan.com/resources/pdf/papers/20040901.pdf>

In practice, even those who embrace globalisation must realise that rather than providing an opportunity to play in a level global playing field, the new global order is more about a series of bilateral and multilateral relationships, hierarchies, and potentially powerful new cliques.

Language, culture, history, as well as current events, create a complex network of alliances which are still evolving and crystallising.

At the Future Summit 2005 in Melbourne, discussion about Australia's identity centred on the notion that "*anyone can be an Australian*".

This cannot be said about Japan, China, India or even Britain – and people all over the world are happy to do business and with Australia.

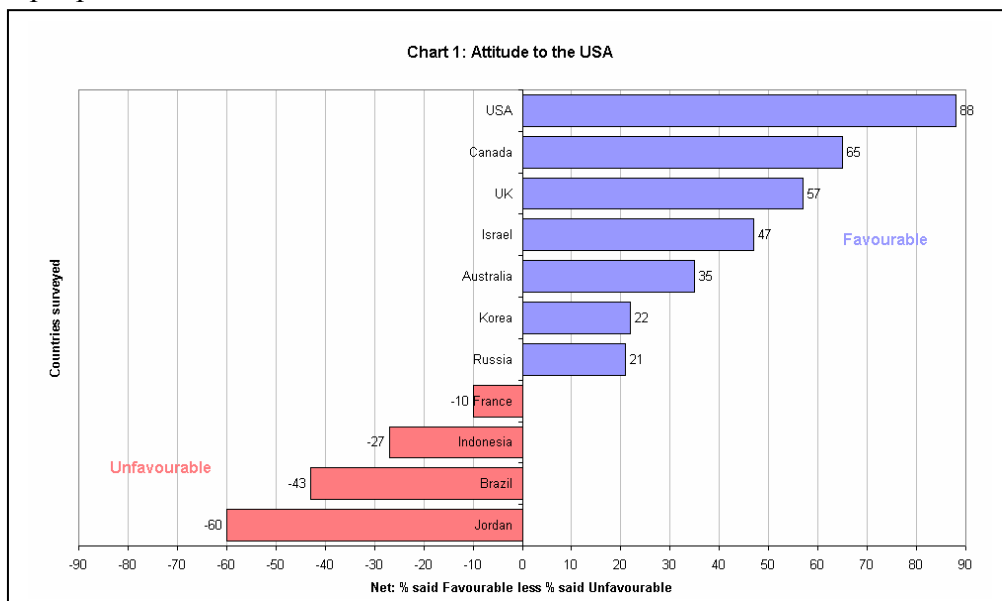
While it is true that anyone can also be an American (Rupert Murdoch), today it is not what it used to be to be an American. In the 2003 international BBC (UK) survey "*What The World Thinks Of America*" (Roy Morgan Special Poll: Published June 26, 2003)³, respondents were first asked: "*In general, how would you say you feel towards America? Would you say your attitude towards America is very favourable, fairly favourable, fairly unfavourable or very unfavourable?*"

Results were not overwhelmingly positive. Not surprisingly, of all countries surveyed Americans were the most favourable towards the US, with 93% feeling favourable and 5% unfavourable (net favourable less unfavourable 88%).

Of the 10,000 people surveyed outside the US, most felt favourable towards the US (average favourable 50%, unfavourable 40%, net 10%).

In Australia, people were more likely to feel positive towards the US, with 64% favourable and 29% unfavourable (net 35%) (for more detail on Australian results, see Finding No. 3641 at www.roymorgan.com). Other countries where more people felt favourable towards the US than unfavourable were Canada (net favourable less unfavourable 65%), the UK (net 57%), Israel (net 47%), Korea (net 22%) and Russia (net 21%).

In France (net favourable less unfavourable -10%), Indonesia (-27%), Brazil (-43%) and Jordan (-60%) more people felt **unfavourable** than favourable towards the US.



³ From a Roy Morgan Special Poll: Published June 26, 2003 "What The World Thinks of America" <http://www.roymorgan.com/news/polls/2003/3643/>

A number of famous quotes were put to respondents who were asked: "Here are some things people have said about America. For each one I read out, please say whether you agree or disagree.

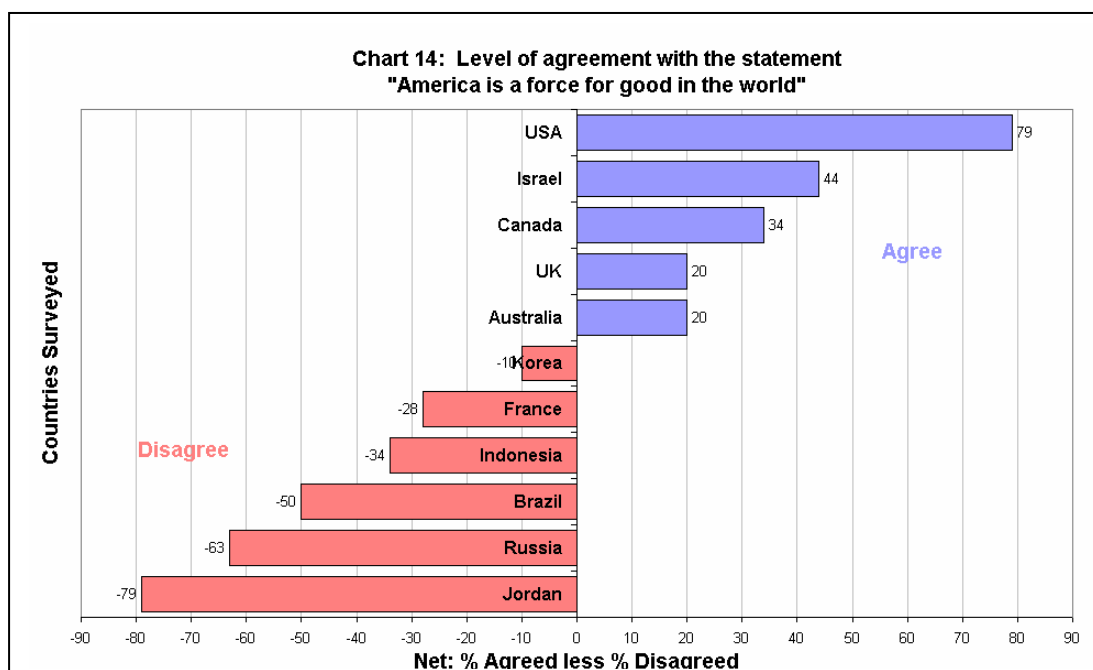
- Q5A. America is a force for good in the world [Tony Blair].
- Q5B. America is reaping the thorns planted by its rulers in the world [Saddam Hussein].
- Q5C. America is a beacon of hope and opportunity [From an essay by American author John White in reference to Emma Lazarus's famous poem "The New Colossus" about the Statue of Liberty].
- Q5D. America now feels it is the only superpower in the world and it can do what it likes.
- Q5E. America scares me [Tom Cruise].
- Q5F. The world looks at America and sees money and sees sex [Karen Hughes, former Presidential Aide to George W. Bush].

Overall, of the 10,000 people surveyed outside the US:

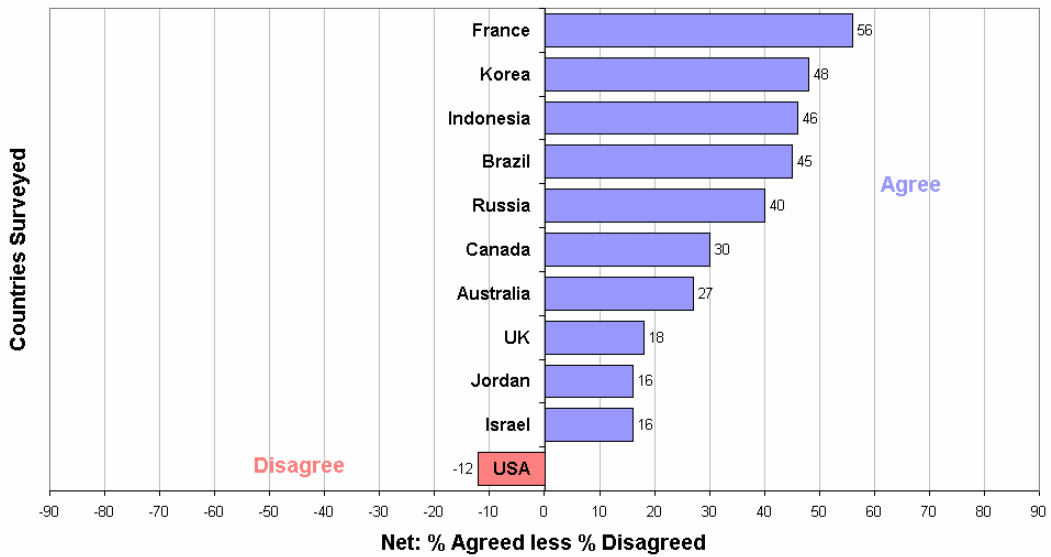
- 15% more people thought that America was **not** a force for good in the world than thought that it was;
- 34% more people thought that America **was** reaping the thorns planted by its rulers in the world than thought that it wasn't;
- 3% more people thought that America was **not** a beacon of hope and opportunity than thought that it was;
- 28% more people thought that America **did** now feel it is the only superpower in the world and it can do what it likes, than thought that it didn't;
- 29% more people said that America **didn't** scare them than said that it did; and
- 27% more people thought that the world **did** look at America and see money and see sex, than thought that it didn't.

In the US itself:

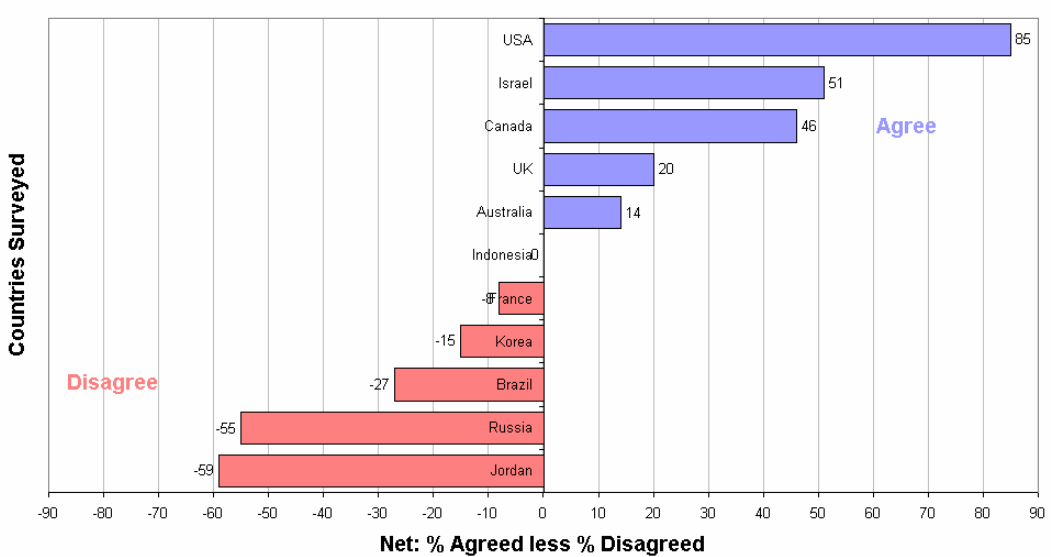
- 79% more Americans thought that their country **was** force for good in the world than thought that it wasn't;
- 12% more Americans thought that their country was **not** reaping the thorns planted by their rulers in the world than thought that it was;
- 85% more Americans thought that their country America **was** a beacon of hope and opportunity than thought that it wasn't;
- 22% more Americans thought that their country **didn't** now feel it was the only superpower in the world and could do what it liked than thought that it did;
- 59% more Americans said that their country **didn't** scare them than said that it did; and
- 49% more Americans thought that the world **did** look at America and see money and see sex than thought that it didn't.



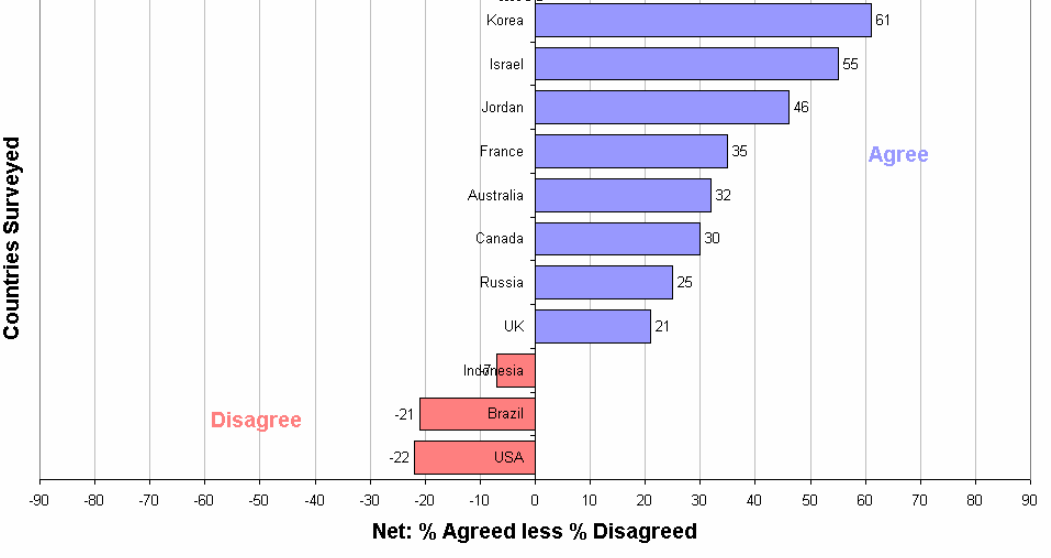
**Chart 15: Level of agreement with the statement
"America is reaping the thorns planted by its rulers in this world"**



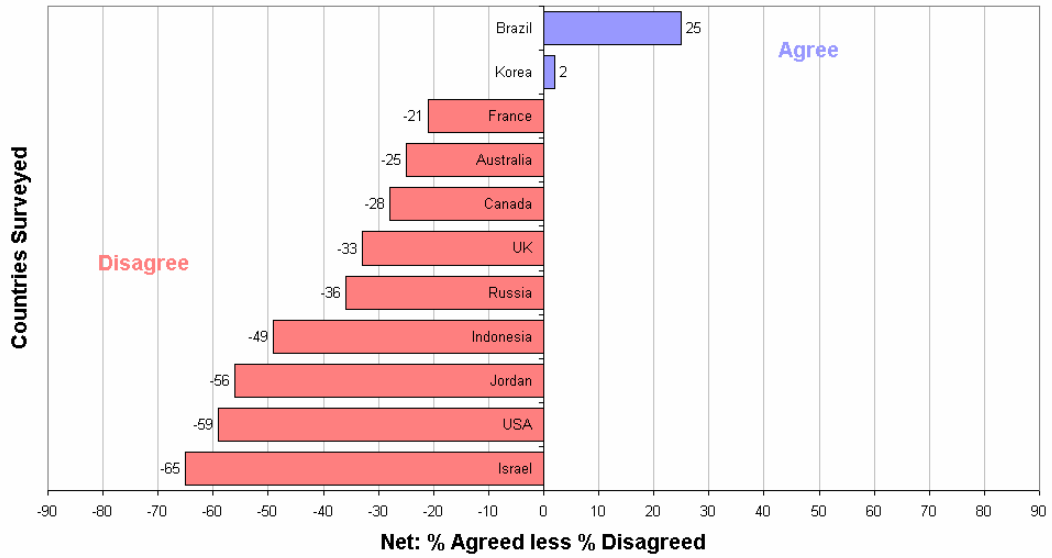
**Chart 16: Level of agreement with the statement
"America is a beacon of hope and opportunity"**



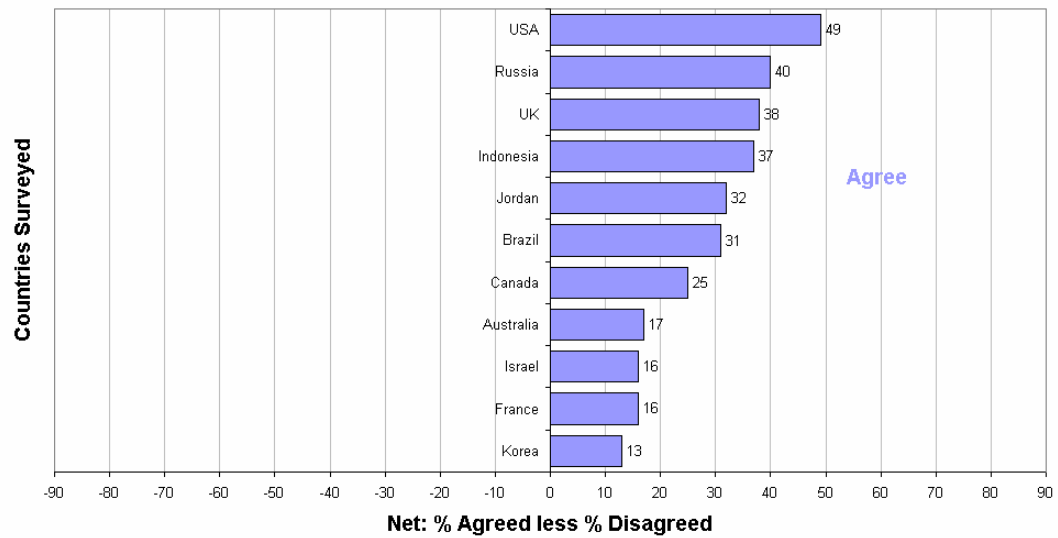
**Chart 17: Level of agreement with the statement
"American now feels it is the only superpower in the world and it can do what it likes"**



**Chart 18: Level of agreement with the statement
"America scares me"**



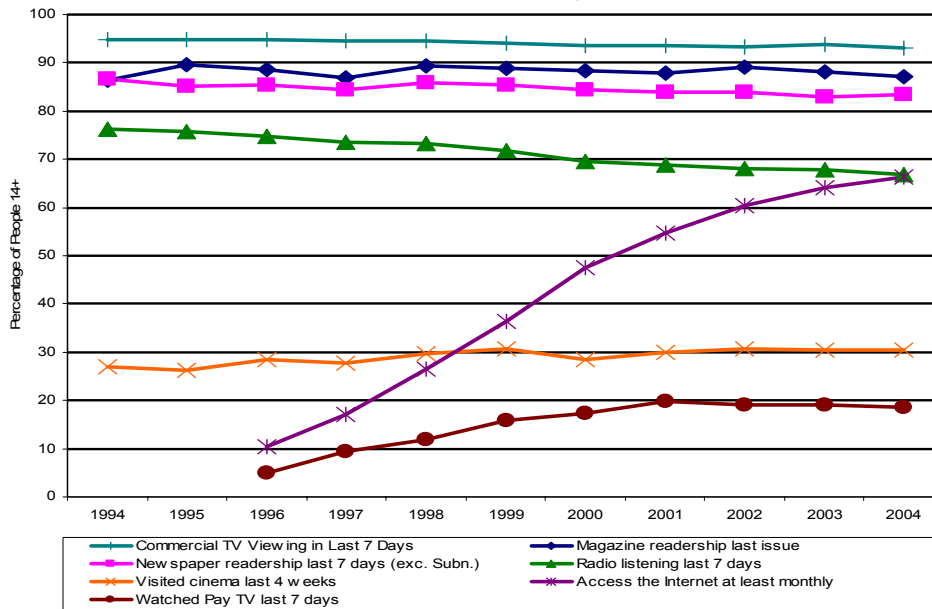
**Chart 19: Level of agreement with the statement
"The world looks at America and they see money and they see sex"**



So why are people happy to do business with and in Australia? Australia is emerging as a strong adopter of technology, increasingly willing to embrace what is new, and seeing itself as socially progressive, open to travel and the rest of the world, and confident.

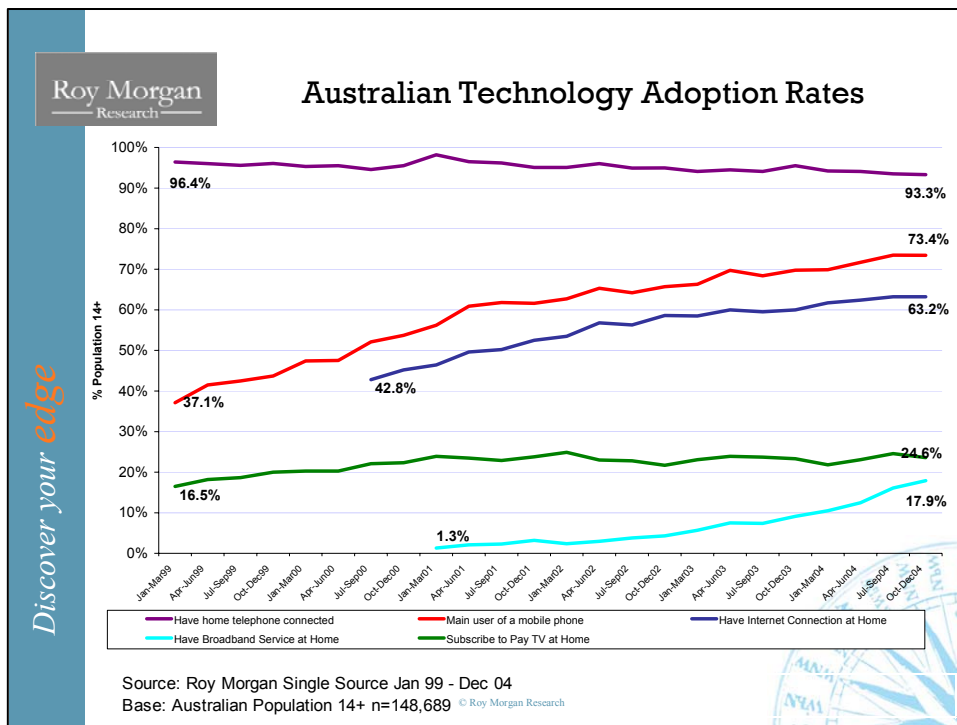
The last 10 years have seen dramatic change in media – predominantly focused on internet take-up⁴.

Media consumption changes 1994 - 2004



Source: Roy Morgan Single Source Australia 1994 - 2004

In technology broadly we see the impact of mobile phones, internet and broadband, and an indication of fall-off of fixed line telephony.

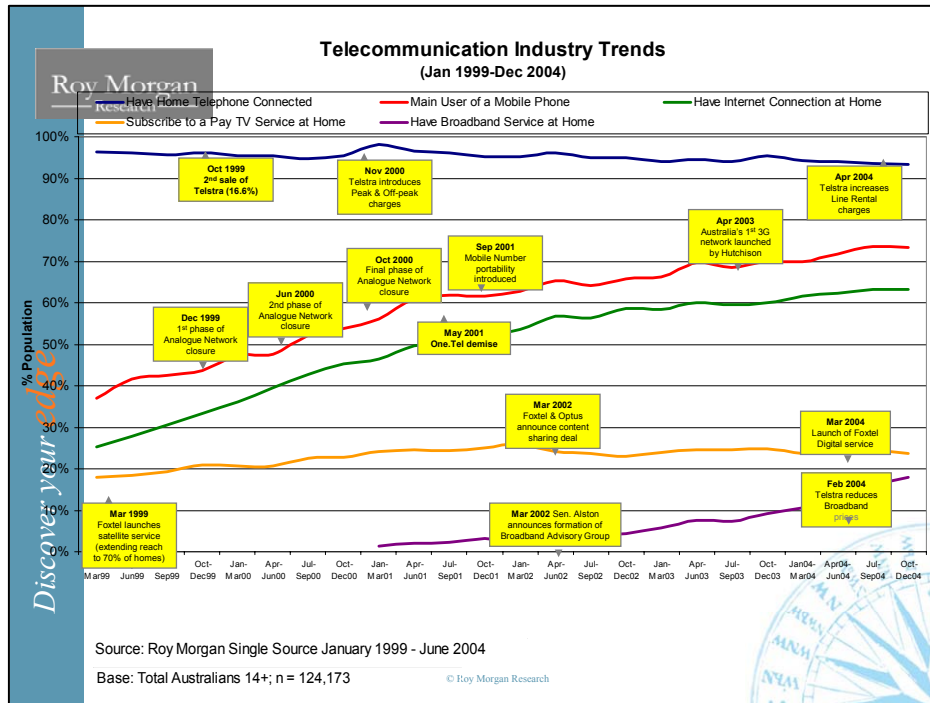


Source: Roy Morgan Single Source Jan 99 - Dec 04
Base: Australian Population 14+ n=148,689 © Roy Morgan Research

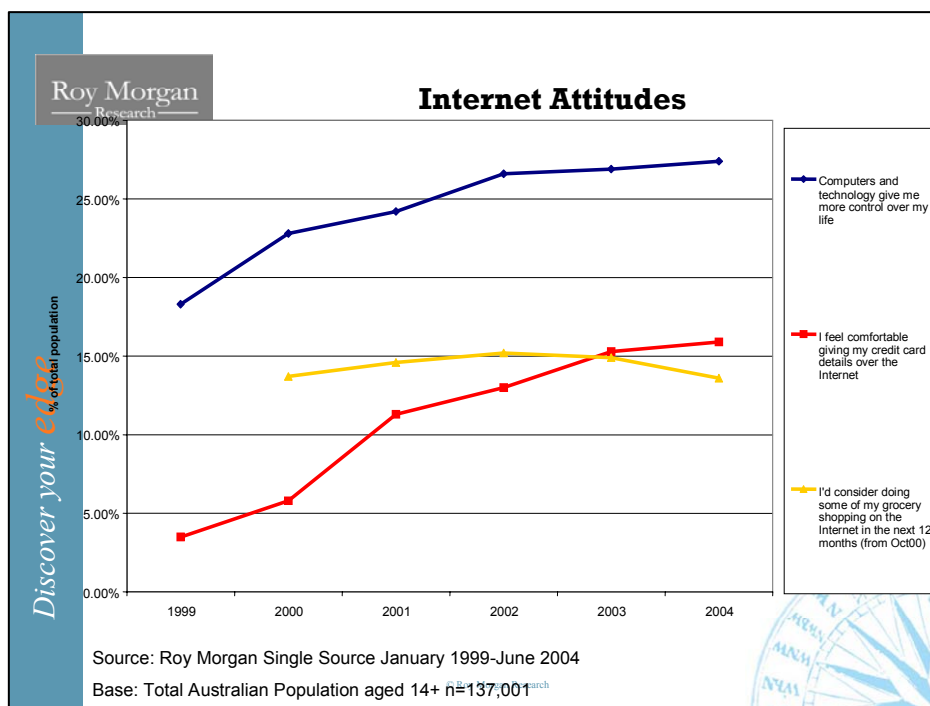
⁴ From Future Summit 2005 paper “Technology, Innovation & Entrepreneurship” May 2005
<http://www.roymorgan.com/resources/pdf/papers/20050501.pdf>

Plotting policy actions against these trends, we see some impact – eg, Telstra’s (Australia’s major telecommunications company) introduction of peak and off-peak charges appeared to hold up fixed line telephony – but it was short-lived. The trend continued down.

Broadband price reductions in mid-2004 appeared to increase broadband penetration. But it was on its way anyway.

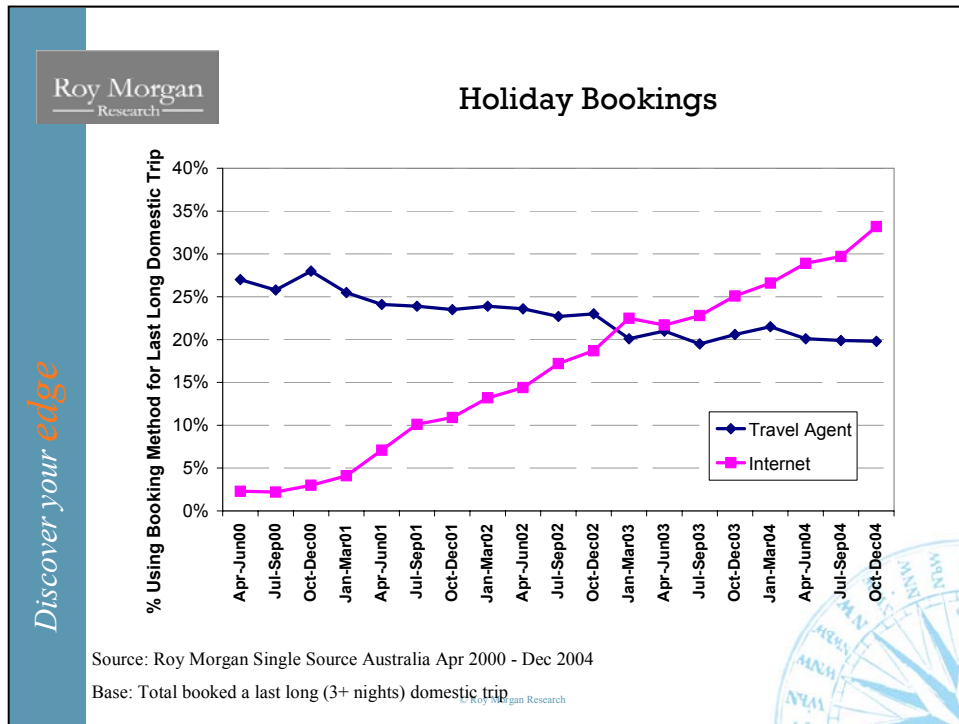


Increased comfort with the technology is obvious – with substantially more Australians now agreeing: “Computers and technology give me more control over my life”; “I feel comfortable giving my credit card details over the Internet.”

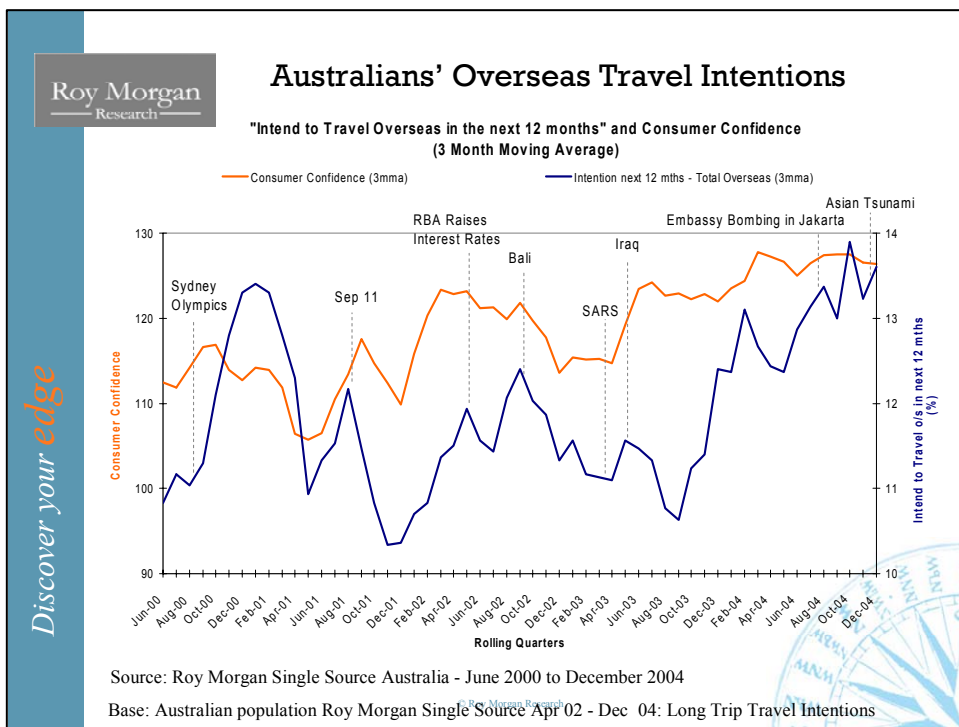


But those innovations that haven’t ‘hit the spot’ seem to be waning, such as ‘on-line grocery shopping’. After an initial peaking of interest in 2002, interest is now easing off.

In travel – holiday bookings online now outstrip travel agent bookings. This is a major shift and has enormous implications for the industry.

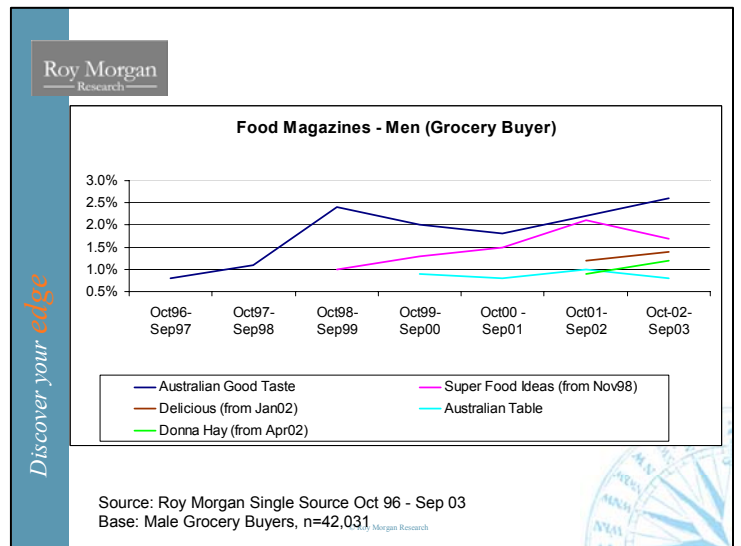
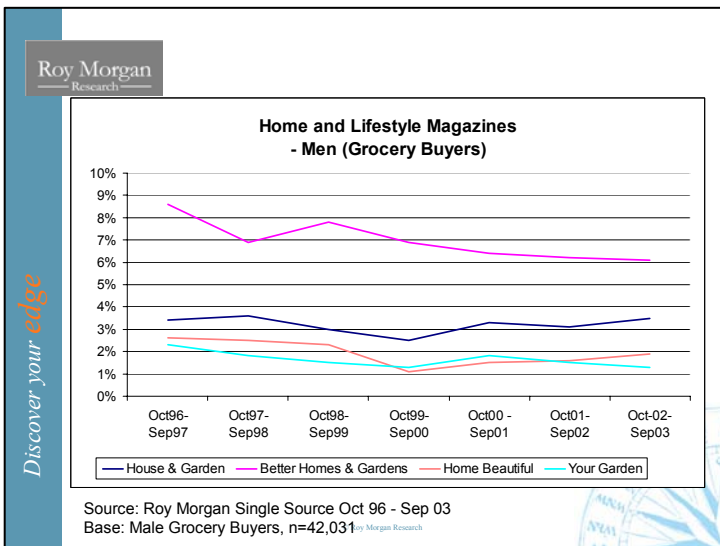
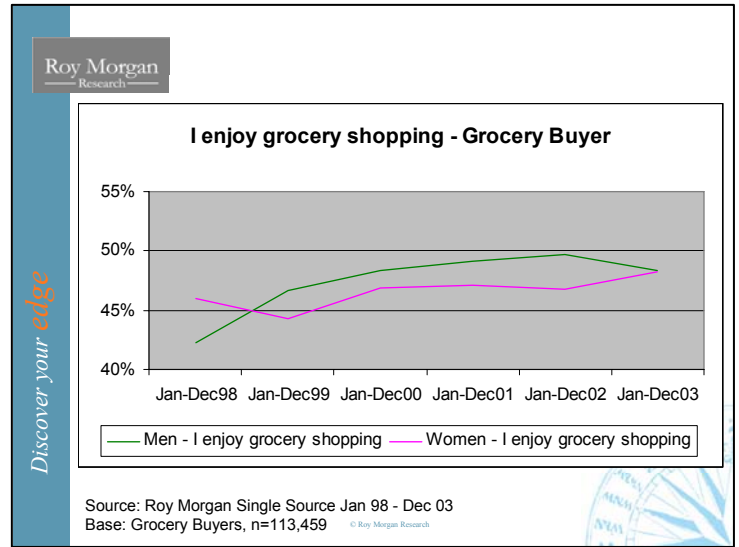
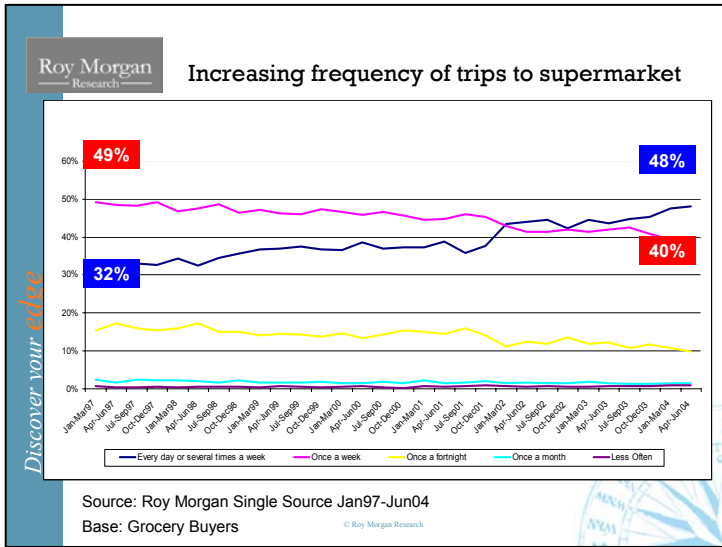


When it comes to Australians' overseas travel intention, broadly over the last few years – even including the dramatic impacts of September 11, the Bali bombing, SARS, the Iraq War, and the Embassy bombing in Jakarta – overseas travel desire is on the increase.

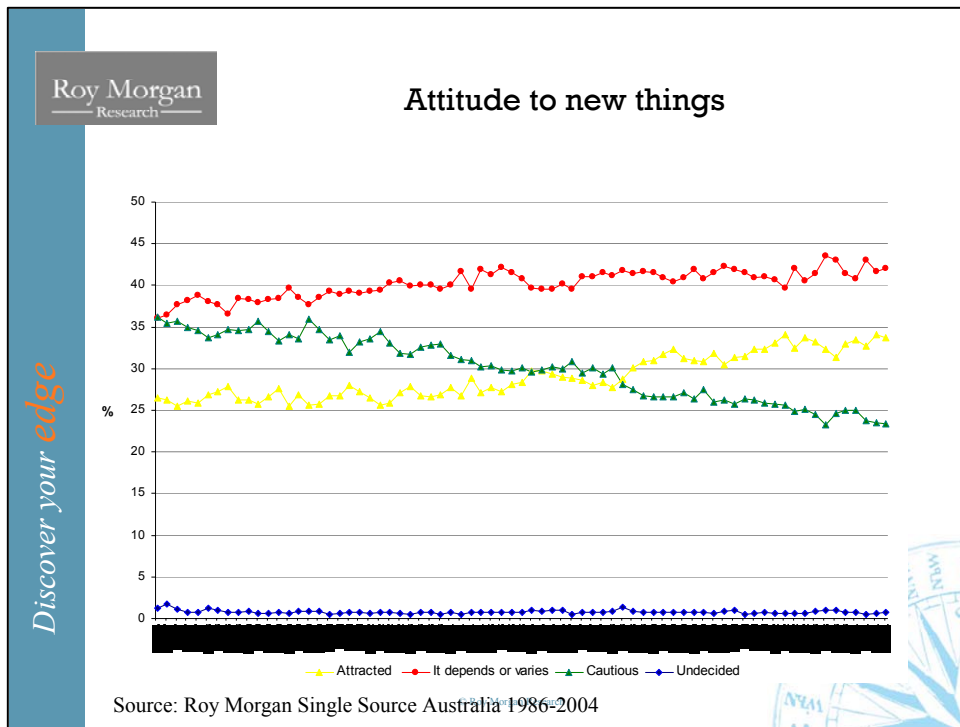


On the domestic front – Australians are shopping more. Since 1997 Australians now make 100 million additional trips to buy groceries annually.

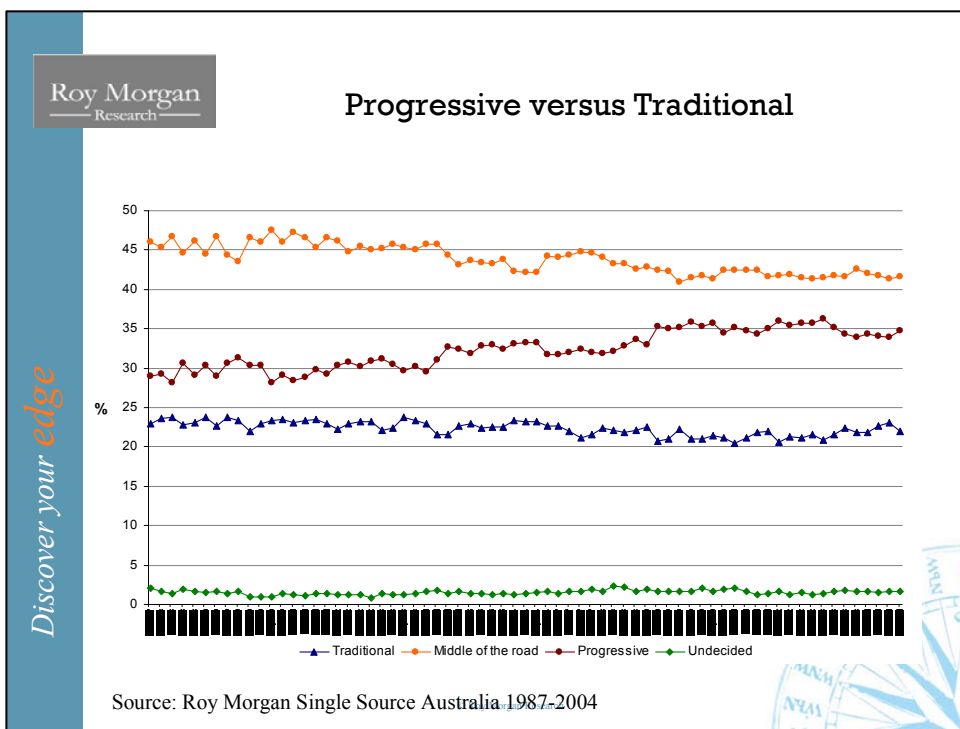
The weekly shop is on the decline and more people are shopping every day, and men are enjoying grocery shopping (at least the increasing number of grocery-buying men). So are women. It is not that men are becoming ‘home’ conscious or nesting (their magazine habits tell us that), it is that they are more interested in food.



Some very slow but fundamental shifts are emerging in the Australian psyche. Australians are becoming more open to new things. There are now more Australians attracted to new things than cautious.

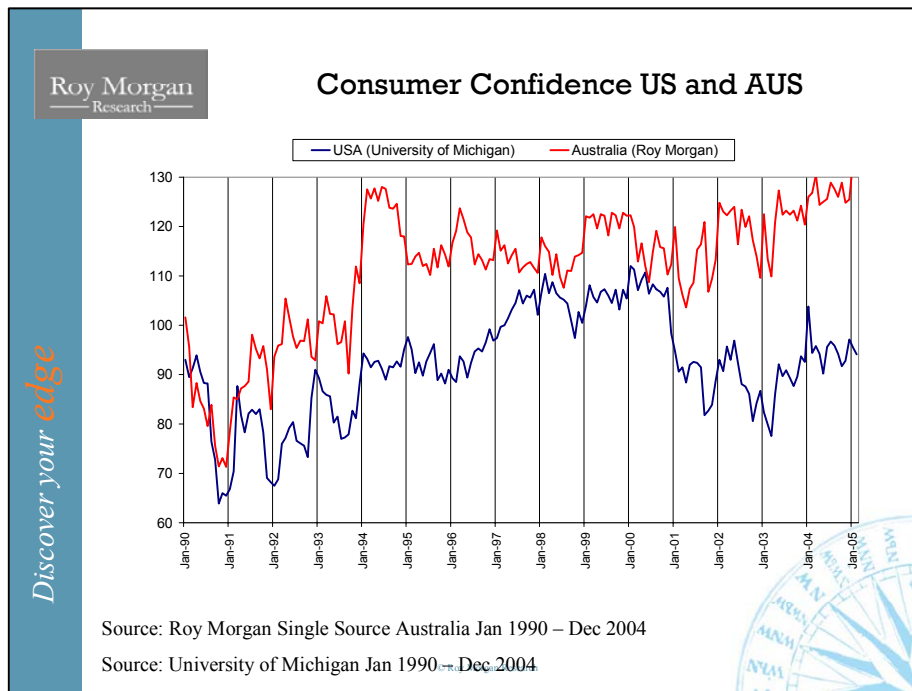


And as Australians, we are seeing ourselves more “socially progressive”, “less traditional”. These are big solid shifts. We are dealing with many hundreds of thousands of interviews (50,000+ each year). The trends are real.



Overall, these trends demonstrate that Australia is emerging as a strong adopter of technology – and increasingly willing to embrace what is new.

Finally, consumer confidence in Australia is high – and remains remarkably high. We were tracking with the US – but have so far emerged with our confidence intact as the US confidence falls away.



Melbourne, Australia is truly ‘Open for Business’.

Reference (which includes all recent papers):

“Background to Roy Morgan Research – founded by Roy Morgan in 1941”

<http://www.roymorgan.com/resources/pdf/papers/20050503.pdf>

For further details contact:

Michele Levine, Chief Executive, Roy Morgan Research

Office - +61 (0)3 9224 5215 Facsimile - +61 (0)3 9629 1250 Mobile - +61 (0)411 129 093

E-mail: Michele.Levine@roymorgan.com

Gary Morgan, Executive Chairman, Roy Morgan Research

Office - +61 (0)3 9224 5213/4 Facsimile - +61 (0)3 9629 1250 Mobile - +61 (0)411 129 094

E-mail: Gary.Morgan@roymorgan.com