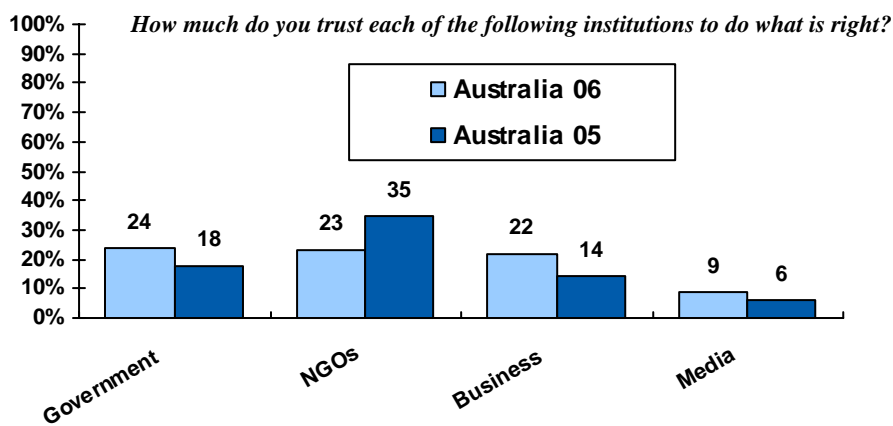


## ‘What Lies Beneath: Stakeholder Expectations of Corporate Australia 2006’

### Key Findings

#### Trust in Australian Institutions

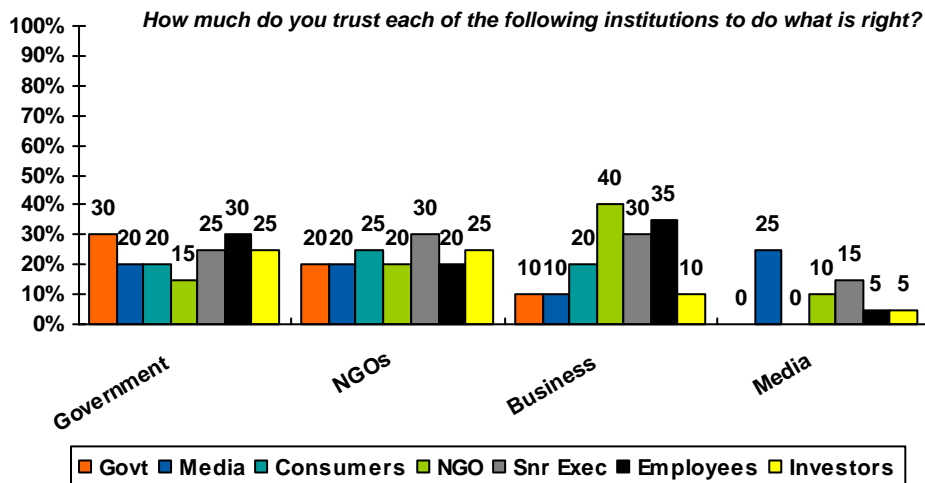
- Trust in Australian institutions is shifting. Australian opinion influencers particularly trust government and NGOs to ‘do what is right’. Government received a top rating of 24 percent followed by NGOs with a 23 percent rating. Business and media came in with ratings of 22 percent and 9 percent respectively.



- Trust in business and government leads at the expense of NGOs, where trust in government and business has increased since 2005 and trust in NGOs has decreased over the same time period. Trust in government moved from 18 percent to 24 percent, trust in business moved from 14 percent to 22 percent, and trust in NGOs went down from 35 percent to 23 percent since 2005.

#### Trust in Business

- Business in Australia enjoys a high degree of trust from both NGOs (40 percent) and employees (35 percent). Government, media, and investors, on the other hand, have the lowest trust in business in Australia with equal top ratings of just 10 percent.

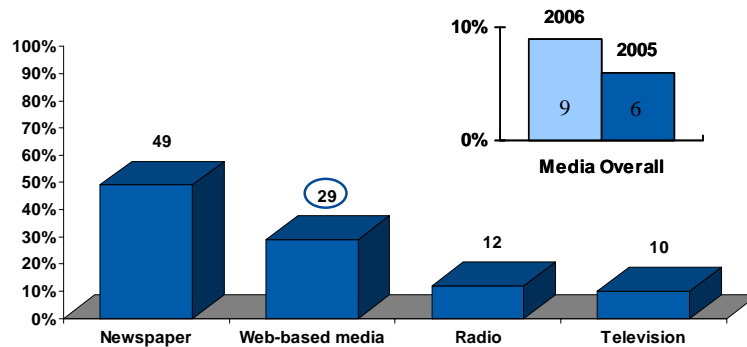


## Sources and Channels

- Overall trust in Media remains very low at less than 10 percent although there was a slight increase over 2005 (by 3 percent).
- Newspapers remain the most trusted mainstream media with 49 percent of respondents turning to them first and web-based media second at 29 percent, radio 12 percent, and just 10 percent for television. Bloggers in Australia are the least trusted information sources with a top rating of only 3 percent.

### Trust in Media

What type of the following media do you turn to first for trustworthy information/news?



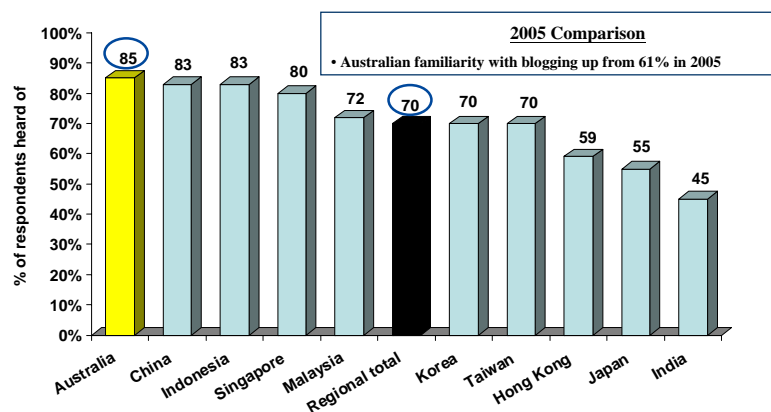
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## Blogs

- Australian respondents were the most familiar of all countries in the Asia-Pacific region with blogs and blogging with 85 percent being familiar with the concept (up from 61 percent in 2005).

### Familiarity of "Blogging" or "Blogs"?

... How familiar are you with the terms "blogging" or "blogs"?  
Percentage equals to 'very familiar' + 'somewhat familiar'

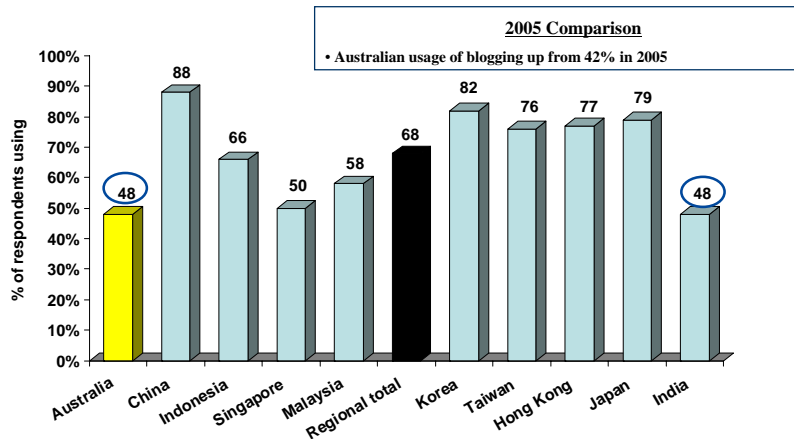


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- In contrast however, Australians reported the lowest levels of participation in the Asia-Pacific region in the blogging phenomenon, with only 48 percent reporting that they had blogged themselves or visited blogs on the internet (increasing from 42 percent in 2005 but much lower than the Asia-Pacific regional average of 68 percent).

### Usage of ‘Blogging’

Have you ever done any ‘blogging’ yourself, or visited ‘blogs’ on the internet?



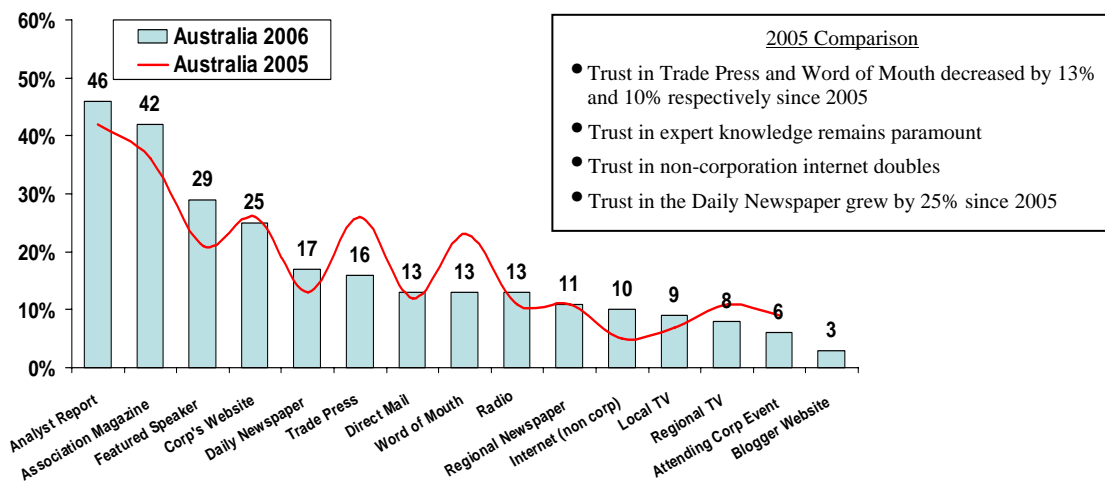
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### Communications vehicles: Trust and believability

- Stakeholders in Australia trust ‘experts’ the most when passing along information about a corporation. The three most trusted sources of information about a company are analyst reports at 46 percent, followed by 42 percent for association magazines, and 29 percent for featured speakers. The least trusted communication vehicles are blogger websites with a top rating of 3 percent, corporate events with 6 percent and regional TV with 8 percent.

### Sources of Information

How *trustworthy* and *believable* do you feel certain communication vehicles are when passing information along about a corporation?



- When asked which source of information they used, as against ‘trusted’, Australian opinion influencers turn to analyst reports first. Respondents gave analyst reports a top rating of 38 percent, association magazines 35 percent and corporate websites 34 percent for ‘likelihood to use to seek out information about a corporation.’
- Increasingly non-corporate internet is both being used and increasing in trust as an information source.

### What makes companies stand out from the rest?

- The importance of employee development/employee benefits to make corporations stand out is the big mover in 2006, increasing from 7 percent in 2005 to 27 percent (a threefold increase) to equal the value of ‘profit’ as a reputation driver.
- The importance of management practice was also underpinned in the 2006 survey with strong increases in management/leadership (9 percent in 2005 to 22 percent in 2006) and ethics/integrity (from 14 to 18 percent) as standout characteristics for companies.
- Having a positive ‘corporate image or reputation’ was the leading requirement for companies with standout characteristics in 2005, but has dropped to fifth in importance with 15 percent.

#### Standout Characteristics

What is the first thing you notice that makes companies stand out from the rest?

<u>Stand Out Characteristics of a corporation in Australia</u>	<u>Aus 06</u>	<u>Aus 05</u>
High profit/Profitable	27%	18%
Employee development/Employee benefits	27%	7%
Management/Leadership	22%	9%
Ethical/Integrity	18%	14%
Corporate image/Reputation	16%	21%
Corporate citizenship/Socially responsible	16%	9%
Brand/Product quality	14%	19%
Innovation	14%	4%
Active promotion/Advertising	11%	19%
Professionalism	8%	1%
Customer focused	6%	12%
Company size/Operation size	6%	8%

Base: 05: 140 & 06: 140

## Characteristics of 'Good and Responsible' Corporations

- 'Standing behind products/services when something goes wrong' and 'trusted senior leadership' continue to dominate the key characteristics of good and responsible companies, as they did in 2005 (over 90 percent ratings).
- However the importance attached to employee communication, transparent operations and stakeholder engagement (80-75 percent) demonstrates that things are changing.
- 'Makes products that really impress other people' saw the biggest jump since 2005, moving from 22 percent to 41 percent in 2006.

How important are the following characteristics for good and responsible corporations?

Characteristics of a Responsible Corporation in Australia	Aus 06	Aus 05
Stand behind its products/services when something goes wrong	92%	89%
Provides senior leadership that can be trusted	91%	87%
Communicates frequently and openly with employees	80%	71%
Operate in an open an transparent fashion	76%	79%
Works hard at building relationship with core stakeholders	75%	63%
Offers top quality products/services	73%	76%
Makes products that really impress other people	41%	22%
Concerned about/active in doing something about community welfare	37%	34%

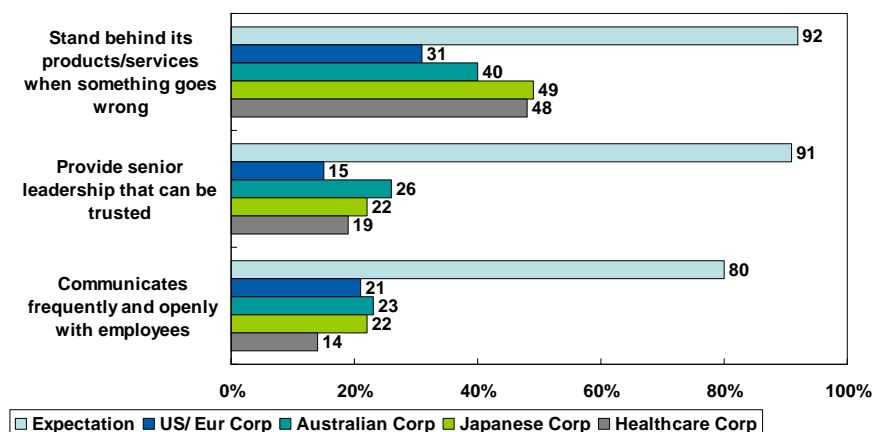
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## Are Companies Measuring Up?

- Australia is leading the way in providing senior leadership that can be trusted, with 26 percent of stakeholders believing that Australian corporations live up to that characteristic, compared to 15 percent belief in the US and Europe corporations and 22 percent in Japanese corporations.

### Responsible Corporation

What degree do you believe different types of corporations live up to that characteristics?  
(Percentage equals top three box score for each characteristic)



Base: n=140

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**For media enquiries or to arrange an interview:**

Devena Wahlstrom (02) 9291 3387 or 0422 268 280

**About the Edelman Survey – ‘What lies beneath; Stakeholder Expectations of Corporate Australia’**

The study was conducted in Australia for the second time as part of an eleven market program across the Asia-Pacific region (quantitative and qualitative studies in Australia, China, Hong Kong, India, Japan, Korea, Hong Kong, Indonesia, Malaysia, Singapore and Taiwan). It included 40 minute in-depth face to face interviews with a total of 1,050 stakeholders across the region.

In partnership with Harris Interactive, one of the world’s leading research houses, the research objectives were to examine and understand the:

- trust in Australian institutions and information sources;
- drivers of stakeholder opinions of corporations in Australia; and
- drivers of responsible corporate behaviour/corporate social responsibility in Australia.

The Australian respondents represented seven different stakeholder groups including:

- government officials;
- non-government organisations/trade associations;
- institutional investors;
- media;
- senior business executives;
- employees; and
- up-scale consumers.

**About Edelman**

The world’s largest independent public relations firm, Edelman provides a full spectrum of advanced communications services. Edelman has over 2,000 consultants in 40 offices worldwide. In 2005, Edelman was named International Agency of the Year by The Holmes Group and awarded Best Campaign of the Year at the US PR Week Awards, the industry’s most prestigious award for a public relations program.

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