

AUSTRALIAN VALUES RESEARCH REPORT

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INTRODUCTION

The average Australian loves their family, car and the suburb that they live in, above their health and their kid's education, according to new research conducted by Australia's leading insurer AAMI.

The AAMI Australian Values report has revealed that as a nation we value our families first and foremost, while we prefer to have a roof over our heads, rather than good health to enjoy our lifestyle.

The research has uncovered what is important to Australians and what they value revealing some astonishing insights. Over 1,000 Australians were provided with hypothetical scenarios on themes including health, education, work, transport, debt and even the family pet, to determine what is most important to them.

The results provide a snapshot into how the values of Australian men and women, generations and states differ.

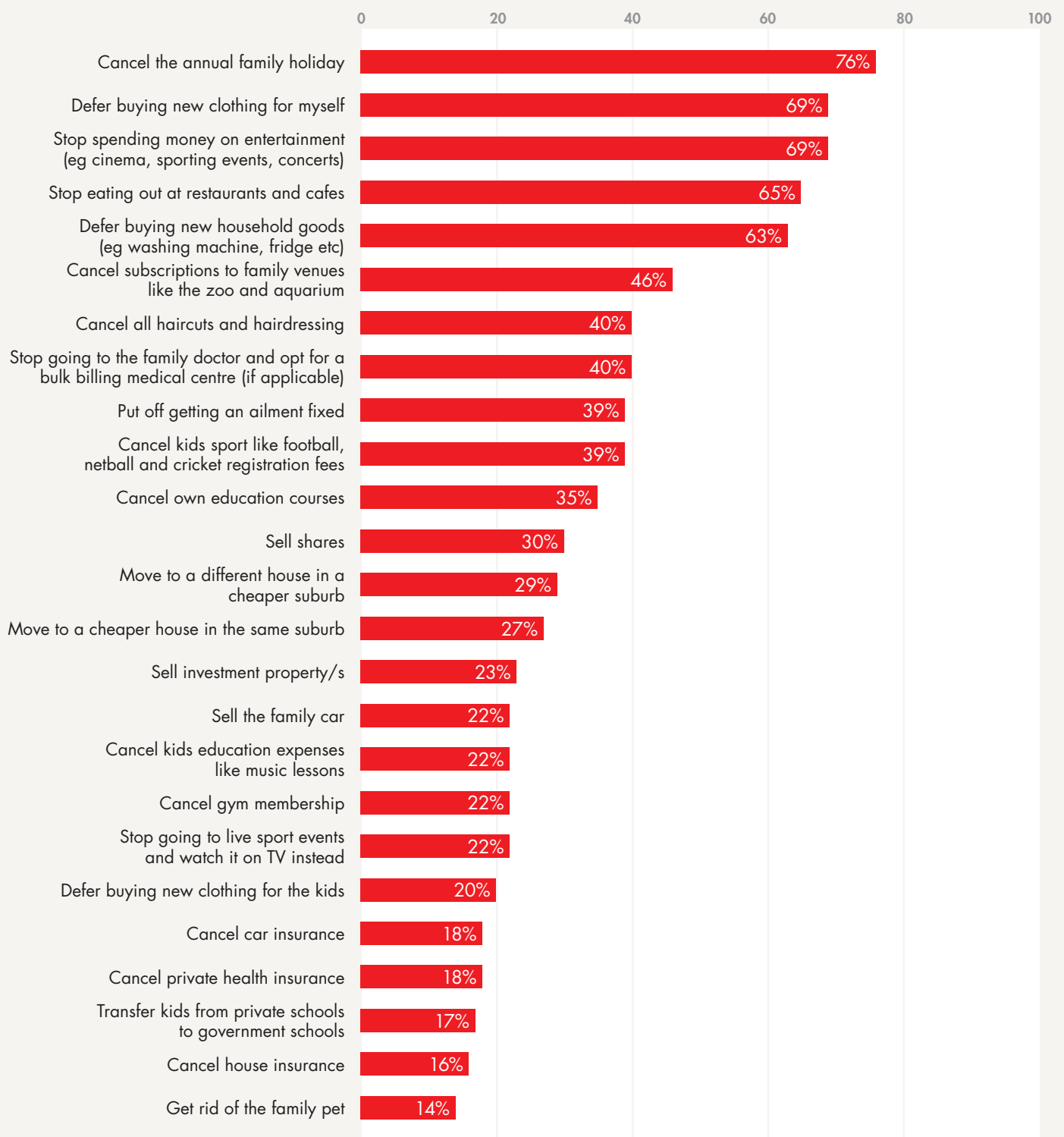
For ease of navigation this report has been divided into six main themes; Family, Housing, Sport, Education, Health and Lifestyle.

Topline findings

- Australians are in love with their cars and are least likely to sell the cash guzzling family car (70% unlikely) and drop car insurance (74% unlikely), if they lost their job for 18 months than any other scenario
- Two in every three adult Australians would prefer to spend \$20,000 on an overseas holiday, rather than on school fees
- To save money one in four (24%) Australians would 'Google for a cure' if they had a medical condition
- Gen Y are our thriftiest generation when it comes to medical bills, with one in three (32%) self-diagnosing to save money
- To avoid having to rely on Australia's ageing public transport system one in four (25%) would drive an uninsured car
- 30% of Gen Ys would drive an uninsured vehicle, if it meant they could avoid public transport
- Australian women value their job (49%), while men believe the suburb that they live in is more important (45%)
- Men would be more willing to go into debt than women with one in ten choosing debt over reduced spending and lifestyle.

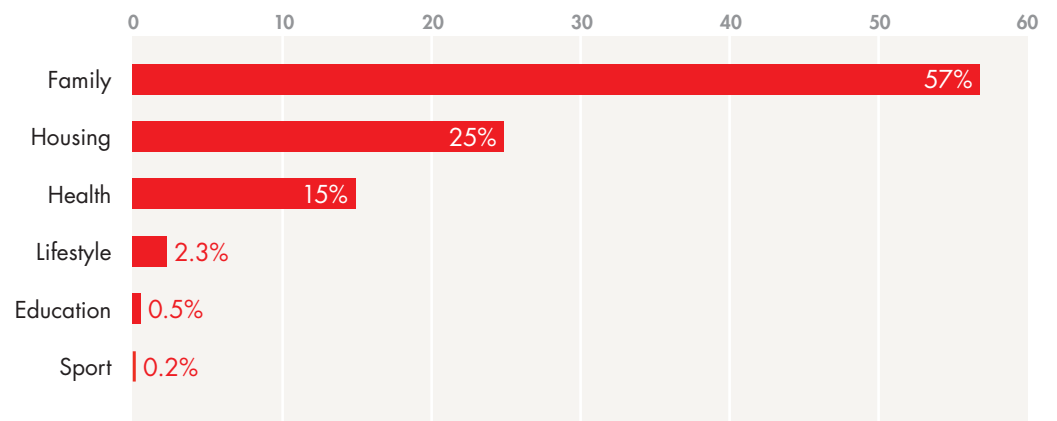
WHAT CAN'T AUSTRALIANS LIVE WITHOUT?

Q. If you lost your job and income for 18 months through illness or injury what do you believe would be more likely?



SIX VALUES

Q. What is most important to you?



FAMILY

Family is unsurprisingly the most valued and important of all themes covered in the survey. Family is the centre and cornerstone of Australian society. It is the nature of Australian families that they preserve and pass onto each succeeding generation the same values that they have.

However, it is the miscellaneous and entertainment costs that are among the first to be cut from the family budget if the primary bread winner is unable to work for an extended period of time.

Cancelling the family holiday, eating out at restaurants and going to the cinema are among the first cuts to the budget, when income is not guaranteed.

Q. If you lost your job and income for 18 months through illness or injury what do you believe would be more likely? Rate the following 1-10 with 1 being not at all likely and 10 being extremely likely

	Not likely (1-5)	Likely (6-10)	Not applicable
Cancel the annual family holiday	29%	76%	15%
Stop eating out at restaurants and cafes	26%	65%	7%
Stop spending money on entertainment	23%	69%	8%
Cancel subscriptions to family venues (aquarium, the zoo)	21%	46%	33%

Highest of all scenarios and the first to go from a family budget

If Australians were not able to earn an income for 18 months, an overwhelming majority (93%) would reduce their spending habits and settle for a lower standard of living. The reality is they wouldn't have to if they had adequate protection.

83 per cent of Australians have car insurance while only 31 per cent have some form of income protection insurance¹. While Australians value their job they are not protecting the benefit it brings to their lifestyle and that of their family.

Men are the risk takers with one in ten (10%) willing to go into heavy debt to maintain their current lifestyle if they were to lose their job for 18 months, while Baby Boomers are the most cautious with only 2% willing to go into debt to maintain their current lifestyle.

¹ www.lifewise.org.au/see-more-statistics

Q. If you lost your income for 18 months due to illness or an injury would you prefer to go into debt to maintain your lifestyle or would you reduce your spending and put up with a lower level of living?

	Gen Y	Gen X	Baby Boomers	Men	Women	Total
Maintain spending	10%	7%	2%	10%	5%	7%
Reducing spending	90%	93%	98%	90%	95%	93%

Extremely risk adverse

NSW residents are the riskiest of all mainland states while only a fraction South Australians were willing to go into debt to maintain their spending and current lifestyle.

	NSW	VIC	QLD	WA	SA
Maintain spending	9%	8%	7%	6%	3%
Reducing spending	91%	92%	93%	94%	97%

Huge difference between NSW residents and South Australians debt levels

HOUSING

A house is not just a home; it's our castle. Owning a home with a quarter acre block has long been the aspiration of millions of Australians. Australians' obsession with owning a home is well documented, through the surge in property prices over the past quarter of a century, with no signs of abating, even during global recessions and weak domestic growth.

Of the five themes housing was one of the main priorities, with respondents unwilling to consider selling up if they were faced with job loss and economic uncertainty.

Two in every three Australians would not even contemplate moving to a cheaper house or suburb if they lost their job for 18 months due to illness or injury. Ironically, for the majority of home owners that have a mortgage this would mean having to borrow from family and friends, or risk losing possession of the house if they didn't have income protection insurance.

Q. If you lost your job and income for 18 months through illness or injury what do you believe would be more likely? Rate the following 1-10 with 1 being not at all likely and 10 being extremely likely

	Not likely (1-5)	Likely (6-10)	Not applicable
Move to a cheaper house in the same suburb	67%	27%	6%
Move to a different house in a cheaper suburb	65%	29%	6%
Sell investment property/s	43%	23%	34%
Sell shares	41%	30%	29%
Cancel house insurance	67%	16%	16%

Rated third most unlikely of all scenarios

SPORT

For a nation that is obsessed with sport, it is surprising to find that sport ranks last out of all six scenarios.

When asked whether they would stop attending live sporting events if they did not have a job or income, half of all respondents felt that this was likely, yet two out of 10 respondents were die hard sports fanatics who were unwilling to forgo their live sporting fix.

Q. If you lost your job and income for 18 months through illness or injury what do you believe would be more likely? Rate the following 1-10 with 1 being not at all likely and 10 being extremely likely

	Not likely (1-5)	Likely (6-10)	Not applicable
Cancel gym membership	22%	39%	39%
Cancel kids sport like football, netball and cricket	39%	20%	41%
Stop going to live sporting events and watch TV instead	22%	50%	28%

EDUCATION

Surprisingly, education is one of the themes that didn't fare as well as others in the survey findings. Cancelling education courses designed to further enhance employability as well as extra-curricular activities like sport and music lessons were most likely for a quarter of all respondents.

Meanwhile, almost two in ten parents would have to transfer their children from their current private school to the government system if they lost their job and income for 18 months.

Q. If you lost your job and income for 18 months through illness or injury what do you believe would be more likely? Rate the following 1-10 with 1 being not at all likely and 10 being extremely likely

	Not likely (1-5)	Likely (6-10)	Not applicable
Transfer kids from private schools to government schools	36%	17%	47%
Cancel own education courses	34%	35%	41%
Cancel kids education expenses like sport or music lessons	36%	22%	42%

Almost two in every three adult Australians would prefer to spend \$20,000 on an overseas holiday, rather than on school fees. This trend was most notable in the older generations (Gen X and Baby Boomers), who would tend to have older children.

Q. If you had \$20,000 to spend on education for your children would you prefer to spend it on private school fees or take your children on a world-wide trip?

	Gen Y	Gen X	Baby Boomers	Men	Women	Total
World-wide trip	58%	67%	67%	62%	65%	63%
School fees	42%	33%	33%	38%	35%	37%

	NSW	VIC	QLD	WA	SA
World-wide trip	62%	66%	64%	62%	63%
School fees	38%	34%	36%	38%	37%

HEALTH

If faced with illness or injury for an extensive period of time, 40% of Australians would put off getting an ailment fixed which would further delay the time it took to get themselves healthy and back to work (and paid employment) sooner.

Q. If you lost your job and income for 18 months through illness or injury what do you believe would be more likely? Rate the following 1-10 with 1 being not at all likely and 10 being extremely likely

	Not likely (1-5)	Likely (6-10)	Not applicable
Cancel private health insurance	54%	18%	18%
Stop going to the family doctor and visit a bulk billing medical centre	46%	40%	14%
Put off getting an ailment fixed	53%	39%	8%

To save money one in four of Australians would self-diagnose on the internet if they had a medical condition, risking further complications that a trained professional would better be able to diagnose and mitigate.

Australia's youngest generation (Gen Y) is our thriftiest with one in three (32%) considering self-diagnosing to save money on expensive medical fees.

Q. To save money would you consider self-diagnosing on the internet, rather than consulting a professional GP?

	Gen Y	Gen X	Baby Boomers	Men	Women	Total
Self-diagnose	31%	23%	14%	23%	24%	24%
See a GP	47%	54%	71%	54%	57%	55%
Unsure	22%	23%	15%	23%	19%	21%

Tech-savvy Gen Y's more likely to 'Google for a cure'

	NSW	VIC	QLD	WA	SA
Self-diagnose	26%	24%	24%	24%	19%
See a GP	54%	53%	58%	51%	59%
Unsure	20%	23%	18%	26%	22%

LIFESTYLE

Australians are in love with their cars and are least likely to sell the cash guzzling family car and drop their car insurance than any other scenario put forward to them in the survey. Australia is a huge country and our cars have become an integral part of many Australians' lives with an increasing reliance on cars for transportation. The average Australian car travels 15,000km per year.³

Q. If you lost your job and income for 18 months through illness or injury what do you believe would be more likely? Rate the following 1-10 with 1 being not at all likely and 10 being extremely likely

	Not likely (1-5)	Likely (6-10)	Not applicable
Get rid of the family pet	63%	14%	23%
Sell the family car	70%	35%	41%
Defer buying new clothing for yourself	25%	69%	4%
Defer buying new clothing for the kids	46%	20%	34%
Defer buying new household goods (washing machine, fridge)	30%	63%	7%
Cancel car insurance	74%	18%	8%
Cancel all kids haircuts	52%	40%	8%

Australians are in love with their cars and are less likely to part ways with the family car than any other scenario.

Most concerning one in four Australians would drive an uninsured family car to avoid using public transport. Gen Y are the most irresponsible of all generations with 30% willing to drive an uninsured vehicle.

Q. Would you drive your family car uninsured if it meant you could keep driving and avoid having to use public transport as the only means of travel?

	Gen Y	Gen X	Baby Boomers	Men	Women	Total
Drive uninsured	30%	22%	19%	23%	26%	25%
Catch public transport	70%	78%	81%	76%	74%	75%

Australia's most irresponsible generation when it comes to driving uninsured

³ www.rac.com.au/About-Us/Community/Environment/Impact-of-cars-on-the-environment.aspx

Queenslanders and Western Australians share the mantle with 27% of residents willing to drive uninsured, if it meant avoiding their states ageing public transport systems.

	NSW	VIC	QLD	WA	SA
Drive uninsured	22%	22%	27%	27%	23%
Catch public transport	78%	78%	73%	73%	76%

The family pet is important with one in every three adult Australians saying they would fork out \$5,000 in veterinary surgery costs to save either Rover or Mittens.

Australian women also would be more likely to save the family pet and pay for the surgery, while men appear to be more financially minded with only one in four opting for the operation.

Q. If your ten year old family dog or cat broke its leg, would you pay \$5,000 to get it fixed?

	Gen Y	Gen X	Baby Boomers	Men	Women	Total
Yes	38%	29%	29%	26%	37%	32%
No	28%	41%	46%	46%	30%	38%
Unsure	34%	30%	25%	28%	33%	30%

11% difference, with Australian women more emotionally attached to the family pet than men

South Australians are less attached to the family pet, while Western Australians have more of a soft spot for the family pet than any other mainland state.

	NSW	VIC	QLD	WA	SA
Yes	34%	32%	32%	35%	28%
No	36%	30%	41%	35%	43%
Unsure	30%	28%	27%	30%	29%

INCOME PROTECTION

Income Protection insurance acts as a safety net to ensure that, in the event of suffering serious illness or injury, you and your family can maintain your lifestyle and focus on getting well and getting back to work.

Income Protection can protect everything you've worked hard to achieve – including your home and your lifestyle.

