

Sensis[®] *Consumer Report*

September 2009



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Introduction

The September 2009 Sensis® *Consumer Report* is a survey designed to measure the confidence and behaviour of the Australian populace.

The primary objectives of the Sensis® *Consumer Report* are to measure consumer confidence and expectations for the next 12 months; and to provide an independent, objective assessment of consumers' experiences and attitudes on key issues.

The Sensis® *Consumer Report* is based on a survey of 1,500 Australians from metropolitan and regional areas of Australia. It includes people from all states and territories, starting from 14 years of age. Demographics such as gender, employment status, income ranges and family status are included to enable cross-analysis of data collected.

Results in the Sensis® *Consumer Report* are reported as a net balance, which represents the total number of positive responses minus the total number of negative responses. All results in the Sensis® *Consumer Report* are based on the responses of consumers surveyed.

The Sensis® *Consumer Report* is an initiative of Sensis Pty Ltd which aims to increase the understanding of consumer behaviour and expectations. Sensis also produces the Sensis® *Business Index*, an ongoing series of surveys tracking confidence and behaviour of Australia's small and medium enterprises (SMEs). Since its inception in 1993, the Sensis® *Business Index* has been one of the most comprehensive and regular surveys of small and medium businesses in Australia.

Data for both of these reports is collected concurrently with many questions being asked of both businesses and consumers. This allows comparisons between these two groups to be made to enable a better understanding of the interaction of supply and demand in the Australian economy.

In addition, Sensis® *Market Intelligence* undertakes commissioned research for corporate and government organisations on a variety of policy issues.

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About the survey

The results in this report are based on a survey of 1,500 Australians conducted between 18 August and 21 September 2009. All interviews were conducted via telephone by the survey research firm, Sweeney Research.

To ensure a good cross representation across the states and territories and by demographics, quotas were set on age, gender and location as detailed in the charts below.

Sample Structure - Demographics			
	Total	Male	Female
14 – 17 years	100	50	50
18 – 19 years	100	50	50
20 – 29 years	250	125	125
30 – 39 years	250	125	125
40 – 49 years	250	125	125
50 – 64 years	300	150	150
Over 64 years	250	125	125
Total	1500	750	750

Sample Structure - Location			
	Total	Metro	Non-Metro
New South Wales	250	200	50
Victoria	250	200	50
Queensland	250	140	110
South Australia	190	160	30
Western Australia	190	160	30
Tasmania	125	75	50
Northern Territory	125	75	50
Australian Capital Territory	120	120	0
Total	1500	1130	370

The results have been weighted according to the latest Australian Bureau of Statistics (ABS) population figures (2001 Census) so results more closely reflect the population distribution within each state and territory.

Comparisons in the September 2009 Sensis® *Consumer Report* are made between consumers and small to medium enterprises. The business results are based on data from the September 2009 Sensis® *Business Index* of 1,800 small and medium enterprises.

Executive summary

Consumer confidence

The September 2009 Sensis® *Consumer Report* found a net balance of 52 per cent of Australians reporting confidence in their financial prospects for the year ahead. This result was an increase of 13 percentage points from last quarter, bringing confidence to its highest level since November 2007, before consumer confidence started to decline. On top of last quarter's strong increase, this quarter's result represents a recovery of just over three-quarters of the 40 percentage points consumer confidence lost during 2008 and 2009.

This result compares with the latest business confidence results from the September 2009 Sensis® *Business Index*, which found a net 50 per cent of SME operators felt confident about their business prospects for the year ahead. While business confidence was still lower than consumer confidence this quarter, it is important to note business confidence rose by 20 percentage points from the previous quarter, and for business confidence this was the largest increase in a single quarter since the start of the Sensis® *Business Index* in 1993. By comparison the rate of increase of consumer confidence was comparatively lower.

Having a secure job was the main reason Australians felt confident, with having a good job remaining relatively less important than job security. The main reasons for consumers expressing worry were increases in the cost of living and the level of unemployment.

Twenty-two per cent of Australian households believed they were better off now compared to a year ago (up one percentage point in the past quarter). Earning more money was the main reason for this belief. Twenty-six per cent of households felt they were worse off (down three percentage points in the past quarter) with increases in the cost of living being a key reason for feeling worse off in the past quarter.

Expenditure expectations improved for almost all categories in the latest results with the only exception being health and medical expenses. Net negative expectations overall were recorded in five categories this quarter, three less than last quarter.

According to the September 2009 Sensis® *Consumer Report*, Australians were likely to reduce expenditure on dining and entertainment, if they faced tighter economic circumstances. Australians would most likely direct additional income towards savings, followed by holidays and travel and mortgage reduction. Overall, more than six in 10 Australians reported they were not currently being impacted by current economic conditions, with the impact most frequently reported being a reduction in income.

The economy and concerns

The September 2009 Sensis® *Consumer Report* found Australians' net perceptions of the current state of the economy has increased strongly to net positive four per cent. This resulted from 27 per cent of Australian consumers believing the economy was currently growing, less the 23 per cent who believed the economy was currently slowing. With the 66 percentage point increase in the past quarter, perceptions of the current state of the Australian economy are some 37 percentage points higher than at the same time last year.

There was also strong improvement in the proportion of consumers who felt the economy would be better in a year's time – exactly half of the Australian population felt the economy would be better a year from now, compared to the 17 per cent who felt it would be worse – an improvement in the net balance of 39 percentage points in the past quarter. The net proportion of consumers feeling the economy would improve in a year is now 52 percentage points higher than at the same time last year.

With the increases in consumer confidence and consumer perceptions about the state of the economy, this quarter saw Australians change their key concerns from economic issues back to social issues. The health system was the top concern for Australians in the September 2009 Sensis® *Consumer Report*, followed by the environment and the drought. The largest increase in concern levels was for internet security, while the state of the economy recorded the largest decrease in concern levels.

The influence of sports on Australian consumers

The September 2009 Sensis® *Consumer Report* found more than three in four Australians reported they were very interested in sports. The influence on males was significantly higher, with almost nine in ten (88 per cent) professing to be interested in sports, compared to 66 per cent of females. Consumers who were confident were more likely to be interested in sports than those who were concerned about their financial prospects for the coming year (79 per cent compared to 73 per cent).

Those that were interested in sports were most likely to name Australian Football League as their favourite sport (21 per cent), ahead of Rugby League (12 per cent), cricket and soccer (11 per cent each). While only two per cent of Australian sports fans nominated cycling as their favourite sport, they were most likely to say their favourite sport was very important to their life, followed by swimming and soccer.

One in three sporting fans reported they had never participated in their favourite sport. Some 37 per cent reported they currently participated, with a further 30 per cent reporting they used to participate in their favourite sport but no longer did. Basketball was the sport which recorded the highest level of match attendance by its fans, followed by cycling and swimming.

Some 16 per cent of sporting fans reported having no particular affiliation. Across Australia, the most supported sporting team overall was the Australian Cricket team. Across Australia, sporting club affiliation varied according to location. AFL teams topped the list in New South Wales (Sydney Swans); Victoria (Collingwood); South Australia (Adelaide Crows); Western Australia (West Coast Eagles); Tasmania (St Kilda) and the Northern Territory (Collingwood). NRL teams came out as favourites in Queensland (Brisbane Broncos) and the Australian Capital Territory (Canberra Raiders).

Section 1 : Economic confidence

Overall confidence in financial prospects

Key findings

The September 2009 Sensis® Consumer Report found a net 52 per cent of consumers expressed relative confidence in their financial prospects for the year ahead. With confidence increasing by 13 percentage points in the past quarter, this latest result brings consumer confidence back to its highest point since November 2007, before economic conditions started to decline.

Australians recorded strong improved confidence with a net balance result of 52 per cent. This result comprised an increased 68 per cent of Australians who were confident about their prospects for the year ahead, in conjunction with a decreased 16 per cent who were worried.

The September 2009 Sensis® Consumer Report found net confidence among consumers slightly higher than business confidence measured in the concurrent Sensis® Business Index. The most recent Sensis® Business Index found overall net confidence among business proprietors was 50 per cent; compared to overall net confidence of 52 per cent for consumers.

The net result of consumer confidence at 52 per cent represents continued growth in the net proportion of consumers who felt confident (up eight percentage points from the past quarter), coupled with a solid decrease in the proportion of consumers who are worried (down five percentage points). The 13 percentage point improvement in confidence represents continued strengthening of consumer confidence, on top of the 18 percentage point improvement recorded last quarter. Consumer confidence has now recovered 31 of the 40 percentage points it lost since November 2007, equating to more than 77 per cent of the loss in confidence now recovered.

While consumer confidence remains above business confidence, it is interesting to note the recovery in business confidence this quarter was stronger than the recovery in consumer confidence. Business confidence improved some 20 percentage points during the quarter, compared to the 13 percentage point increase in consumer confidence.

In addition, the rate of recovery of business confidence accelerated, with an 18 percentage point recovery in confidence in the June quarter, increasing to the 20 percentage point increase in the September quarter. By comparison, consumer confidence also increased by 18 percentage points in the June quarter, however this dropped to the 13 percentage point increase recorded in the September quarter.

Confidence trends – past five quarters

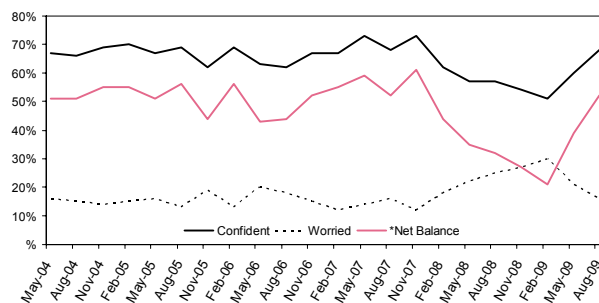
	August 2008	November 2008	February 2009	May 2009	August 2009
Extremely confident	11%	9%	11%	13%	14%
Fairly confident	46%	45%	40%	47%	54%
Neutral	18%	19%	19%	19%	16%
Fairly worried	21%	22%	23%	17%	12%
Extremely worried	4%	5%	6%	4%	4%
Total confident	57%	54%	51%	60%	68%
Total worried	25%	27%	30%	21%	16%
*Net Balance	+32%	+27%	+21%	+39%	+52%

Q. Please think about the next 12 months. How confident do you feel about (your family's) (your) financial prospects?

*Net Balance defined as the proportion who are confident less the proportion who are worried.

SOURCE: Sensis® Consumer Report. Sweeney Research – September 2009

Long term trends in confidence



*Net Balance defined as the proportion who are confident less the proportion who are worried.

SOURCE: Sensis® Consumer Report. Sweeney Research – September 2009

Overall confidence

Comparison with business – September 2009

	Consumers ¹	Business ²
Extremely confident	14%	12%
Fairly confident	54%	53%
Neutral	16%	21%
Fairly worried	12%	13%
Extremely worried	4%	2%
Total confident	68%	65%
Total worried	16%	15%
*Net Balance	+52%	+50%

*Net Balance defined as the proportion who are confident less the proportion who are worried.

SOURCE: ¹Sensis® Consumer Report. Sweeney Research – September 2009
²Sensis® Business Index. Sweeney Research – September 2009

Overall confidence in financial prospects by respondent characteristics

The September 2009 Sensis® Consumer Report found the large improvement of 17 percentage points in male confidence levels was a key factor in the extent of the improvement in overall confidence this quarter. By comparison, confidence among females increased by 12 percentage points over the past quarter. Overall, male confidence was 22 percentage points higher than female confidence, and this gap has widened by five percentage points over the past quarter.

Australians aged more than 64 years were the most confident, with net confidence in this age group up by 38 percentage points since last quarter. This was the largest increase in confidence for any age demographic. Confidence increased in all age demographics in the past quarter, with the only exception being for those aged under 30 where confidence was down by seven percentage points in the past quarter.

Examining both gender and age, the most confident Australians were males aged more than 64, with a net confidence level of 67 per cent. This was in stark contrast to females aged from 50 to 64 years, who were the least confident of any age-gender demographic, with confidence at 36 per cent. Females aged more than 64 reported feeling the most confident of any female age group.

There was little difference in the confidence levels between metropolitan and regional areas, with confidence higher by a marginal one percentage point in regional areas. The most confident Australians were those living in the Northern Territory, where a net 65 per cent of consumers reported feeling confident about their financial prospects for the year ahead, up five percentage points in the past quarter. The least confident Australians were in South Australia, with net confidence at 48 per cent, still an improvement of three percentage points since the last quarter. Confidence rose in all states or territories, with the only exception being the Australian Capital Territory, where confidence fell by five percentage points in the past quarter. Last quarter the Australian Capital Territory had recorded the highest increase in consumer confidence of 29 percentage points. The strongest increase in confidence this quarter was recorded in Tasmania, where confidence was up 22 percentage points.

Couples without children were the least confident about their financial prospects for the year ahead, with confidence at a net 49 per cent, up 18 percentage points in the past quarter. Singles were most confident recording confidence levels at a net 59 per cent.

Those on the highest income level were the most likely to feel confident, with a net 74 per cent of those with a household income of more than \$85,000 feeling confident, compared to net 23 per cent of those with a household income up to \$35,000. The lowest income group recorded the strongest increase in confidence.

Overall confidence by age and gender *Net balance – September 2009

	Total	Male	Female
Total	52%	64%	42%
Up to 29 years	48%	54%	44%
30 – 39 years	56%	64%	46%
40 – 49 years	51%	64%	38%
50 – 64 years	50%	64%	36%
More than 64 years	57%	67%	48%

*Net Balance defined as the proportion who are confident less the proportion who are worried.
Base : 'Householders' – family household heads or independent singles

SOURCE: Sensis® Consumer Report: Sweeney Research – September 2009

Overall confidence by location *Net balance – September 2009

	Total
Total	52%
Metro	52%
Non metro	53%
New South Wales	50%
Victoria	56%
Queensland	52%
South Australia	48%
Western Australia	51%
Tasmania	56%
Northern Territory	65%
Australian Capital Territory	58%

*Net Balance defined as the proportion who are confident less the proportion who are worried.
Base : 'Householders' – family household heads or independent singles

SOURCE: Sensis® Consumer Report: Sweeney Research – September 2009

Overall confidence by socio-economic variables *Net balance – September 2009

	Total
Total	52%
Respondent is..	
The male or female household head in a family with children	56%
The male or female household head in a family without children	49%
Single person living alone or sharing	59%
Household income level..	
Up to \$35,000	23%
\$35,001 to \$55,000	34%
\$55,001 to \$85,000	54%
More than \$85,000	74%

*Net Balance defined as the proportion who are confident less the proportion who are worried.
Base : 'Householders' – family household heads or independent singles

SOURCE: Sensis® Consumer Report: Sweeney Research – September 2009

Reasons for being confident or worried

The main reason Australians gave for feeling confident about their financial prospects for the year ahead was having a secure job, however this fell in relative importance over the past quarter. This is the sixth successive quarter where the trend of increasing job security has been considered more important than the quality of the job. The main reason Australians reported feeling worried was the cost of living rising.

Having a secure job remained the most important reason for feeling confident for those with household incomes of more than \$35,000. For those with household incomes below \$35,000, having a regular pension was the main reason for feeling confident.

For Australians feeling worried about their financial prospects in the coming year, the main reason was increases in the cost of living, which was nominated by 19 per cent of those who were worried. This was marginally higher than unemployment, which was a concern for 18 per cent of those worried.

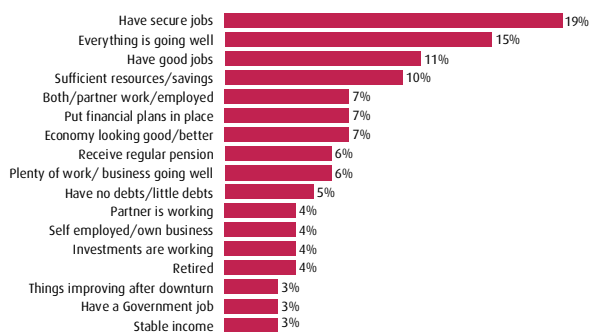
Other key reasons for concern included uncertainty about the direction of the economy, uncertainty in general and financial hardship. All of these concerns were mentioned by 11 per cent of those Australians feeling worried about their financial prospects for the coming year.

While the cost of living was the overall main cause for concern, this was only the case for those earning up to \$35,000 a year by income. The cost of living was the top reason for concern for residents of Victoria, Western Australia, Tasmania and the Australian Capital Territory. In New South Wales the cost of living was the equal top reason for feeling worried, along with unemployment. In Queensland uncertainty about the direction of the economy was the main reason people reported feeling worried, while financial hardship was most cited by those feeling worried in South Australia and the Northern Territory.

For those with incomes of more than \$85,000 the main concern was unemployment. This was also the top concern for those earning between \$35,000 and \$55,000. For those earning between \$55,000 and \$85,000 uncertainty in general was the main issue impacting confidence levels.

The highest increasing reason for concern over the past quarter was the cost of living, which has risen by 14 percentage points. Reports of financial hardship as a reason for feeling worried increased by eight percentage points over the quarter, the next largest increase of any issue.

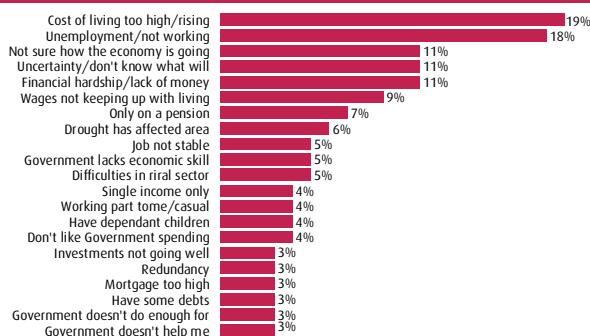
Reasons for being confident September 2009



Base : Consumers who are extremely or fairly confident

SOURCE: Sensis® Consumer Report: Sweeney Research - September 2009

Reasons for being worried September 2009



Base : Consumers who are extremely or fairly worried

SOURCE: Sensis® Consumer Report: Sweeney Research - September 2009

Comparison to a year ago

While Australians were still more likely to feel they were worse off than a year ago, the proportion of Australians reporting they felt worse off has decreased in the past quarter.

Some 22 per cent of Australians believed they were better off than a year ago, which was up by one percentage point in the past quarter. Fifty-two per cent believed their position was about the same as a year ago, up two percentage points. The proportion who felt worse off was down three percentage points from last quarter to 26 per cent. This resulted in an improvement of four percentage points in the net proportion of Australians feeling better off than a year ago in the past quarter.

With the overall result remaining net negative, it represents some improvement from last quarter, rising by four percentage points. It is however, the sixth successive quarter where Australians were more likely to report they were worse off than better off, than a year ago.

The results were strongly split by income, with those earning \$55,000 a year and above more likely to feel they were better off on balance. Those with incomes up to \$55,000 were more likely to feel, on balance, they were worse off than they had been a year ago. The income demographic most likely to feel worse off on balance was those with incomes up to \$35,000, where the net balance was at net negative 25 per cent – this proportion has been almost the same for the past three quarters.

The states or territories that recorded net positive results were New South Wales, South Australia, the Northern Territory and the Australian Capital Territory. In the Northern Territory 39 per cent of residents felt they were better off than a year ago, compared to 16 per cent felt they were worse off. This compared to Queensland at the other end of the scale where only 18 per cent reported they felt better off, compared to 31 per cent who felt worse off. Australians living in metropolitan areas were less likely than those living in regional areas to feel worse off than a year ago (net zero per cent compared to net negative eight per cent).

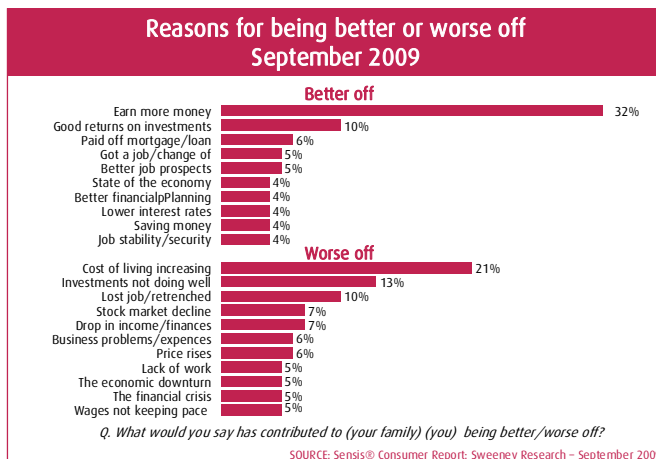
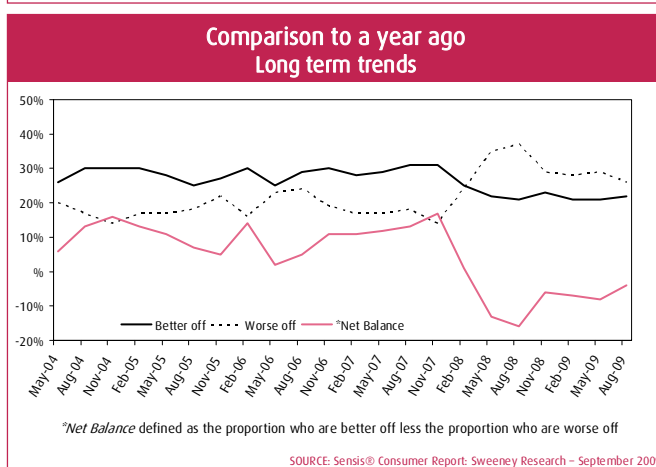
Increases in the cost of living, investments not doing well and losing a job topped the list of reasons for feeling worse off. The overwhelming reason Australians gave for feeling better off than a year ago related significantly to increased earnings, in line with the past 17 quarters.

Comparison to a year ago Trends					
	August 2008	November 2008	February 2009	May 2009	Aug 2009
Better off	21%	23%	21%	21%	22%
Same	42%	47%	51%	50%	52%
Worse off	37%	29%	28%	29%	26%
*Net Balance	-16%	-6%	-7%	-8%	-4%

Q. And, compared to this time twelve months ago, would you say (your family) (you) are better off, worse off or about the same?

**Net Balance defined as the proportion who are better off less the proportion who are worse off*

SOURCE: Sensis® Consumer Report: Sweeney Research - September 2009



Household expenditure expectations

In line with continued increases in consumer confidence, consumer expenditure expectations also increased in the last quarter in every category with the only exception being health and medical expenses, which fell by a marginal one percentage point. The areas most Australians expected to increase spending in the next 12 months were general household expenses, housing costs and transport costs.

Overall, the category with the highest net proportion of consumers expecting to increase expenditure was general household expenses, by a net 40 per cent. This result was up by eight percentage points since last quarter, however was down by 20 percentage points compared to the same time last year.

More consumers were expecting to decrease than increase their expenditure in five categories (down from eight categories last quarter): personal care; special events; items for the home; home entertainment; and dining out, fast food or home deliveries. Despite the negative expectations, the overall net balance has improved in each of these categories over the past quarter.

Examining trends, every other category this quarter reported an improvement in the overall net balance of consumer expenditure expectations with the only exception being health and medical expenses. The improvement was greatest for housing costs, where the net balance was up by 16 percentage points.

Families with children were most likely expecting to increase spending on general household expenses; education costs; and items for the home.

Families without children were most likely to be expecting to increase their spend on holidays and travel than other household demographics.

Singles were most likely to be expecting to increase their expenditure than other household demographic in housing costs; transport costs; health and medical expenses; telecommunications; entertainment, sport and leisure activities; personal care; special events; and home entertainment.

Household expenditure expectations September 2009

Over the next twelve months do you expect to spend a larger, smaller or about the same proportion of (your family) (your) income on...	Spend more	Spend less	No change	*Net balance
General household expenses including groceries and bills	47%	7%	46%	+40%
Housing costs such as mortgage payments or rent	28%	6%	66%	+22%
Transport costs - cars or public transport	28%	9%	64%	+19%
Health and medical expenses	26%	9%	65%	+17%
Education costs	23%	8%	69%	+15%
Home renovations or improvements	28%	19%	53%	+9%
Telecommunications - including mobiles and internet	17%	12%	72%	+5%
Holidays and travel	27%	22%	51%	+5%
Entertainment, sport and leisure activities	14%	14%	72%	0%
Personal care or grooming products or services	9%	10%	81%	-1%
Special events or occasions (eg. Parties, weddings etc)	16%	17%	67%	-1%
Items for the home such as furniture or electrical goods	20%	24%	56%	-4%
Home entertainment such as DVD's, CDs	10%	19%	71%	-9%
Dining out, fast food or home deliveries	8%	21%	71%	-13%

Base: 'Householders' - family household heads or independent singles.

*Net Balance = the proportion who expect more less the proportion who expect less

SOURCE: Sensis® Consumer Report: Sweeney Research - September 2009

Household expenditure expectations Trends in *Net Balance

	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009
General household expenses - groceries and bills	60%	40%	28%	32%	40%
Housing costs such as mortgage or rent	29%	9%	1%	6%	22%
Transport costs - cars or public transport	46%	17%	8%	12%	19%
Health and medical expenses	21%	13%	13%	18%	17%
Education costs	17%	10%	7%	8%	15%
Home renovations or improvements	10%	3%	-3%	-3%	9%
Holidays and travel	1%	-7%	-9%	-6%	5%
Telecommunications - including mobiles & Internet	6%	0%	-2%	3%	5%
Entertainment, sport and leisure activities	-1%	-7%	-11%	-11%	0%
Personal care/grooming products	2%	-3%	-10%	-5%	-1%
Special events or occasions (eg. parties, weddings etc)	1%	-5%	-11%	-9%	-1%
Items for the home such as furniture or electrical goods	-8%	-13%	-18%	-14%	-4%
Home entertainment	-12%	-13%	-15%	-15%	-9%
Dining out, fast food or home deliveries	-15%	-22%	-28%	-23%	-13%

Base: 'Householders' - family household heads or independent singles.

*Net Balance = the proportion who expect more less the proportion who expect less

SOURCE: Sensis® Consumer Report: Sweeney Research - September 2009

Household expenditure expectations By family status - September 2009

*Net balance for..	Total	Families with children	Families no children	Singles
General household expenses - groceries and bills	40%	45%	36%	37%
Housing costs such as mortgage or rent	22%	22%	17%	28%
Transport costs - cars or public transport	19%	20%	16%	24%
Health and medical expenses	17%	14%	19%	22%
Education costs	15%	28%	3%	4%
Home renovations or improvements	9%	9%	8%	9%
Holidays and travel	5%	5%	6%	2%
Telecommunications - including mobiles & Internet	5%	8%	-1%	9%
Entertainment, sport and leisure activities	0%	0%	-6%	7%
Personal care/grooming products	-1%	-4%	-1%	6%
Special events or occasions (eg. parties, weddings etc)	-1%	1%	-7%	8%
Items for the home such as furniture or electrical goods	-4%	-3%	-7%	-4%
Home entertainment	-9%	-10%	-9%	-2%
Dining out, fast food or home deliveries	-13%	-13%	-14%	-13%

*Net Balance defined as the proportion who will spend more less the proportion who will spend less

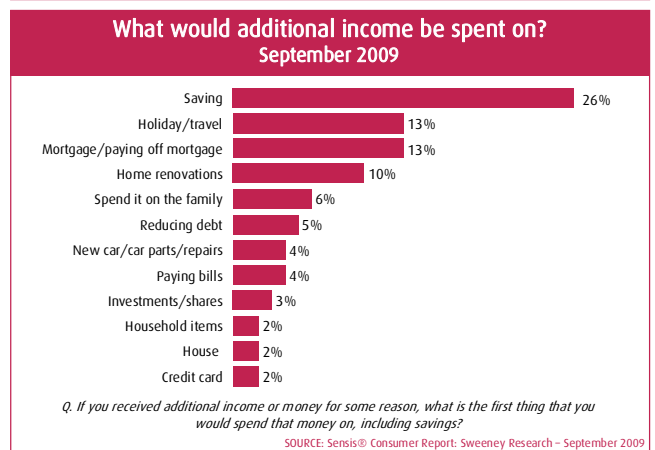
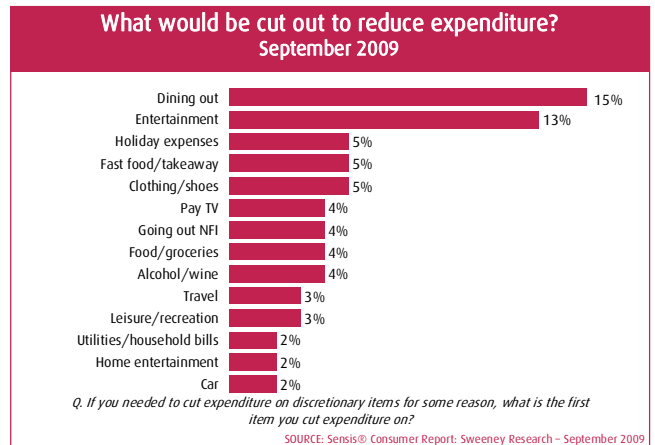
SOURCE: Sensis® Consumer Report: Sweeney Research - September 2009

Cutting back or increasing expenditure

It is interesting to note the particular areas consumers are most likely to increase or decrease their expenditure, if faced with changing financial circumstances. This can highlight areas of the economy most likely to be impacted by an economic downturn or tightening of monetary policy, as well as areas likely to benefit from economic or fiscal stimulus or easing in monetary policy resulting in consumers having additional income.

The area of expenditure most likely to be cut by consumers was dining out and entertainment, with 15 per cent of consumers nominating dining out as an area they would look to decrease and 13 per cent nominating entertainment as their first avenue to decrease expenditure.

If consumers had more money, they were most likely to report they would use it to increase their savings. At 26 per cent, increasing savings was cited twice as much as the next most popular responses: holidays and travel and paying off a mortgage, both of which were mentioned by 13 per cent of consumers. Home renovations were the next most likely area Australians would look to spend some extra income on.

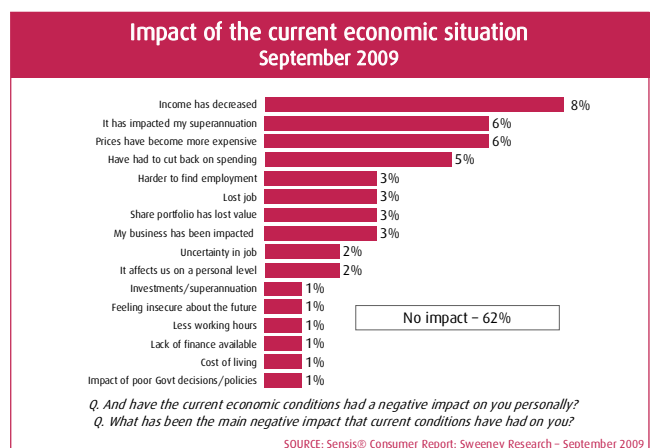


Impact of the current financial crisis

Overall, most Australians had not felt impacts from the current financial market situation, with 38 per cent of Australians reporting some level of impact. This has increased marginally from 37 per cent last quarter. Decreasing income was the impact most likely to be reported.

Overall, some 62 per cent of Australians reported they had not been impacted by the current economic situation, down by one percentage point in the past quarter. Residents of Queensland were most likely to feel they had been negatively impacted at 42 per cent, with those in Tasmania least likely (29 per cent). The impact was highest for those with incomes between \$35,000 and \$55,000 (49 per cent negatively impacted).

The main impact reported was a decrease in income followed by impacts on superannuation and prices becoming more expensive. A decrease in income had been the main impact on those earning between \$35,000 and \$85,000. For those earning less than \$35,000 the main impact had been prices becoming more expensive and for those earning over \$85,000 the main impacted reported was on superannuation.



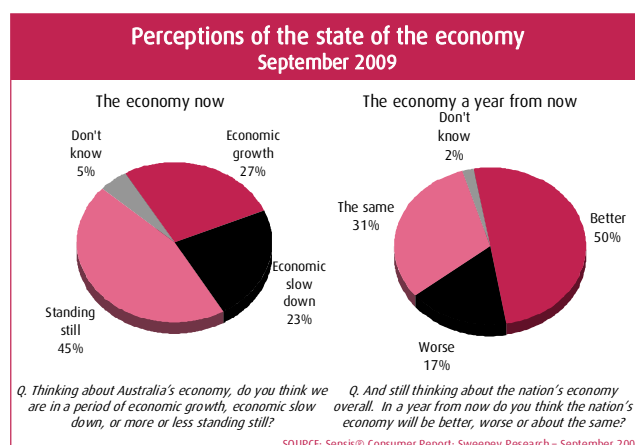
Perception of the state of Australia's economy

For the first time since February 2008, the Sensis® Consumer Report has found more consumers currently believe the Australian economy is growing than slowing. Some 27 per cent of consumers felt the economy was currently growing (up 23 percentage points), compared to 23 per cent who felt the economy was currently slowing down (down 43 percentage points), and 45 per cent who felt it was standing still. This resulted in a net balance of positive four per cent of consumers who felt the economy was currently in a growth phase. This result was up by 66 percentage points since last quarter and is the highest net balance result since November 2007.

Consumers in most states and territories felt the economy was now in a growth phase, there was some variation as to the extent of this, with the only exceptions being New South Wales and Tasmania. Residents of South Australia held the highest perceptions of the current state of the economy (positive 17 per cent), while consumers in New South Wales and Tasmania held the lowest perceptions (net negative three per cent each).

There was also continued improvement in expectations for the economy for the coming year. When asked how the economy would be performing a year from now, 50 per cent of consumers felt it would be better than the current situation, up 22 percentage points in the past quarter. This compared to the 17 per cent who thought it would be worse than it is now (down 17 percentage points in the past quarter). Some 31 per cent of consumers felt the economy would be the same in a year's time. This resulted in a net positive 33 per cent, an improvement of 39 percentage points in future expectations for the economy. This quarter's improvement has been the most significant improvement in the past year with this indicator now up 52 percentage points compared to the same time last year, indicating consumers are strengthening their perceptions of Australia's potential for economic growth for the year ahead.

When the same question was asked in the September 2009 Sensis® Business Index, businesses reported slightly more optimistic views on the state of the economy now (net positive six per cent for businesses compared to net positive four per cent for consumers), as well as slightly stronger views on the future direction of the economy (net positive 38 per cent for businesses compared to net positive 33 per cent for consumers).

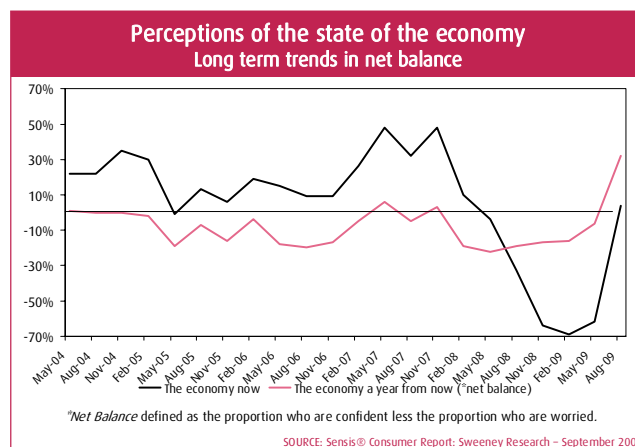


Perceptions of the state of the economy Trends

	August 2008	November 2008	February 2009	May 2009	August 2009
The economy now					
Growth	18%	7%	3%	4%	27%
Slowing	51%	71%	72%	66%	23%
*Net balance	-33%	-64%	-69%	-62%	+4%
The economy a year from now					
Better	20%	23%	24%	28%	50%
Worse	39%	40%	40%	34%	17%
*Net Balance	-19%	-17%	-16%	-6%	+33%

**Net Balance defined as the proportion who are positive less the proportion who are negative.*

SOURCE: Sensis® Consumer Report: Sweeney Research - September 2009



Perceptions of the state of the economy Comparison with business - September 2009

	Consumers ¹	Business ²
The economy now		
Growth	27%	24%
Slowing	23%	18%
*Net balance	+4%	+6%
The economy a year from now		
Better	50%	51%
Worse	17%	13%
*Net balance	+33%	+38%

**Net Balance defined as the proportion who are positive less the proportion who are negative.*

SOURCE: ¹ Sensis® Consumer Report: Sweeney Research - September 2009
² Sensis® Business Index: Sweeney Research - September 2009

Section 2 : Our concerns

Prime concerns

The health system was the highest concern for Australians overall, followed by the environment and the drought, according to the September 2009 Sensis® Consumer Report. With confidence and views on the economy rebounding, concern levels over economic issues fell this quarter, with concern levels for social issues on the increase. This quarter one of the key economic issues increasing in concern levels was interest rate increases.

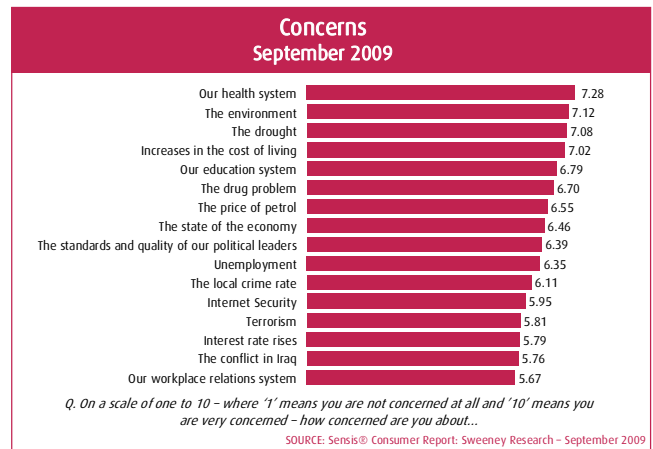
When asked to rank topical issues on a scale of one, representing no concern at all, to 10, representing a high level of concern, the health system scored an average score of 7.28. The level of concern about the health system rose by 0.15 during the quarter. The highest level of concern for the health system was recorded in Queensland (7.73) with the lowest level recorded in Western Australia (6.84). The health system was the top concern overall for residents of New South Wales, Queensland, Tasmania and the Australian Capital Territory.

The health system was the top concern overall for those earning more than \$55,000. For those earning up to \$35,000 the top concern was the drug problem and for those earning between \$35,000 and \$55,000 the drought was the top concern.

The second highest concern for Australians was the environment, which ranked at 7.12, an increase of 0.24 in the past quarter. Those with household incomes between \$55,000 and \$85,000 were most likely to be concerned about this issue (7.35). Residents of New South Wales were most likely to be concerned about the environment (7.36) while residents of Queensland reported the lowest levels of concern about the environment (6.83).

The issue which recorded the highest increase in concern levels in the past quarter was internet security, up by 0.37 to 5.95. Concerns about internet security were greatest in South Australia (6.15) and lowest in the Australian Capital Territory (5.52). The level of concern about internet security was greatest among those with household incomes between \$35,000 and \$55,000 (6.42) and the lowest level of concern among those with household incomes more than \$85,000 (5.39).

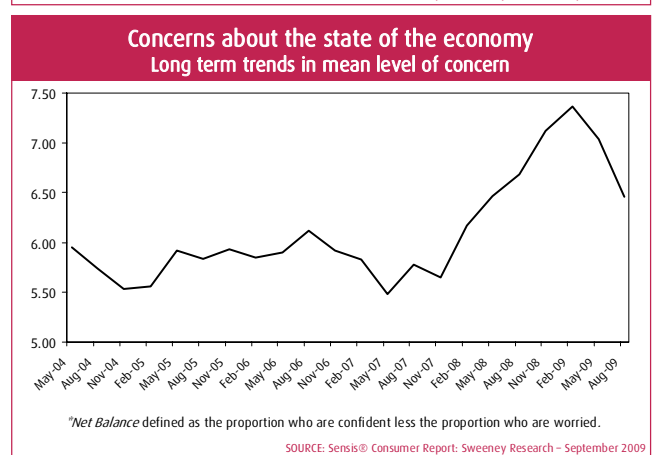
The issue which recorded the greatest fall in concern levels in the past quarter was the state of the economy, which was down by 0.58 to 6.46.



Concerns Trends - last five quarters

	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009
Our health system	7.34	7.17	7.18	7.13	7.28
The environment	7.38	7.28	7.37	6.88	7.12
The drought	7.52	7.38	7.51	6.79	7.08
Increases in the cost of living	7.71	7.29	7.27	7.08	7.02
Our education system	6.83	6.80	6.89	6.70	6.79
The drug problem	6.82	6.77	6.78	6.61	6.70
The price of petrol	7.63	6.77	6.73	6.23	6.55
The state of the economy	6.69	7.12	7.37	7.04	6.46
The standards & quality of political leaders	6.61	6.26	6.45	6.50	6.39
Unemployment	5.70	6.08	6.92	6.80	6.35
The local crime rate	6.00	5.93	5.98	6.01	6.11
Internet security	5.80	5.51	5.68	5.58	5.95
Terrorism	5.33	5.45	5.58	5.50	5.81
Interest rate rises	6.76	5.78	5.68	5.49	5.79
The conflict in Iraq	5.81	5.98	5.74	5.51	5.76
Our workplace relations system	7.34	7.17	7.18	7.13	7.28

SOURCE: Sensis® Consumer Report: Sweeney Research - September 2009



Concerns by age and gender

Females again displayed higher levels of concern across all topics in this quarter. Males' and females' opinions differed most when it came to the conflict in Iraq, followed by internet security and the drug problem. The topic of concern where male and female views most closely aligned was the workplace relations system, with concern levels varying by only 0.37 between males and females.

Concerns did vary by income, with those on household incomes less than \$35,000 most concerned about the drug problem. For those earning between \$35,000 and \$55,000 the drought was the top concern, while for those earning \$55,000 and above, the top issue of concern was the health system.

There was a large split in concern levels by age with Australians aged less than 40 displaying relatively low concern levels compared to those aged more than 40. Australians aged less than 20 were the least concerned about the most issues of any age group, recording the lowest levels of concern for nine different concern categories.

Australians aged from 40 to 49 years were more concerned about the health system, the environment, increases in the cost of living, the education system, the state of the economy and interest rate rises than any other age demographic. Australians aged from 50 to 64 years showed the highest level of concern for the drug problem, the standard of political leaders and the workplace relations system.

Those Australians aged 65 years and over were more likely than any other age group to be concerned about the most issues this quarter including the drought, the price of petrol, unemployment, the local crime rate, terrorism and the conflict in Iraq.

The top issue overall, the health system, was only the top issue for those aged from 40 to 64. For those under 20 and in their 30s the environment was the top concern, while for those in their 20s the cost of living was their main concern. For those Australians aged over 64 the drug problem was the most concerning issue.

Concerns by gender September 2009				
	Total	Male	Female	Difference
The conflict in Iraq	5.76	5.08	6.42	-1.34
Internet Security	5.95	5.29	6.60	-1.31
The drug problem	6.70	6.04	7.33	-1.29
Terrorism	5.81	5.20	6.39	-1.19
The local crime rate	6.11	5.57	6.63	-1.06
Increases in the cost of living	7.02	6.53	7.49	-0.96
Unemployment	6.35	5.92	6.77	-0.85
The drought	7.08	6.65	7.49	-0.84
Our health system	7.28	6.85	7.68	-0.83
The environment	7.12	6.74	7.50	-0.76
Our education system	6.79	6.43	7.14	-0.71
The price of petrol	6.55	6.19	6.89	-0.70
Interest rate rises	5.79	5.44	6.13	-0.69
The state of the economy	6.46	6.17	6.75	-0.58
The standards and quality of our political leaders	6.39	6.19	6.58	-0.39
Our workplace relations system	5.67	5.49	5.86	-0.37

SOURCE: Sensis® Consumer Report: Sweeney Research - September 2009

Concerns by age group September 2009							
	Total	Up to 19	20 to 29	30 to 39	40 to 49	50 to 64	65+
Our health system	7.28	6.65	6.81	7.19	7.90	7.58	7.19
The environment	7.12	7.06	6.71	7.25	7.43	7.33	6.85
The drought	7.08	6.08	6.91	7.08	6.96	7.48	7.58
Increases in the cost of living	7.02	6.79	6.93	7.16	7.17	6.92	7.04
Our education system	6.79	6.37	6.64	6.86	6.95	6.85	6.91
The drug problem	6.70	5.75	5.99	5.95	6.93	7.18	8.11
The price of petrol	6.55	6.62	6.49	6.35	6.44	6.67	6.78
The state of the economy	6.46	6.07	6.10	6.33	6.76	6.73	6.58
The standards of our political leaders	6.39	5.41	5.79	6.35	6.85	6.89	6.57
Unemployment	6.35	6.37	6.36	5.99	6.43	6.38	6.67
The local crime rate	6.11	5.61	5.86	5.70	6.14	6.33	6.92
Internet Security	5.95	5.76	5.39	5.45	6.14	6.49	6.49
Terrorism	5.81	5.45	5.26	5.20	5.77	6.10	7.05
Interest rate rises	5.79	5.13	5.84	6.10	6.16	5.68	5.46
The conflict in Iraq	5.76	5.81	5.29	4.95	5.64	5.95	7.14
Our workplace relations system	5.67	5.39	5.27	5.71	5.90	6.02	5.56

■ = Highest level of concern
■ = Lowest level of concern

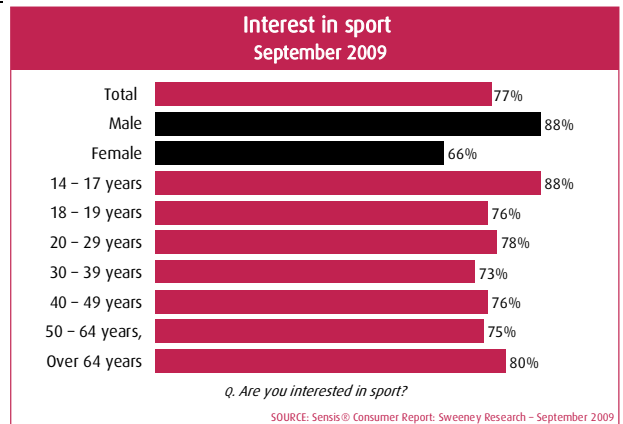
SOURCE: Sensis® Consumer Report: Sweeney Research - September 2009

Section 3 : Sport

Interest in sport

More than three quarters of Australians (77 per cent) reported they were interested in sport. Males reported a higher level of interest than females, with almost nine in ten males (88 per cent) interested in sport, compared to almost seven in ten females (66 per cent).

Residents of New South Wales were most likely to be interested in sport (80 per cent) with those in the Australian Capital Territory least interested in sport (68 per cent). Australians in regional areas were more likely to be interested in sport than their metropolitan counterparts (81 per cent compared to 74 per cent respectively).



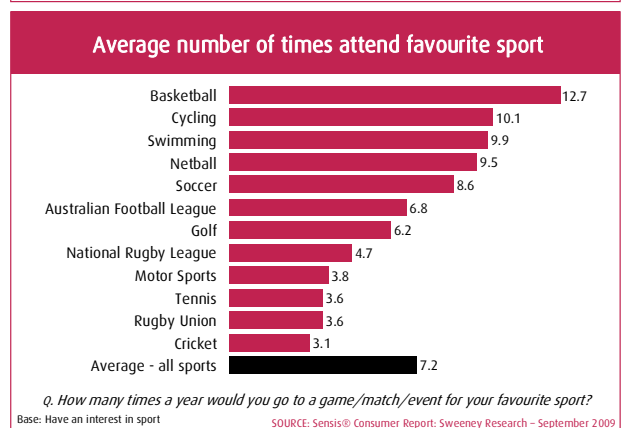
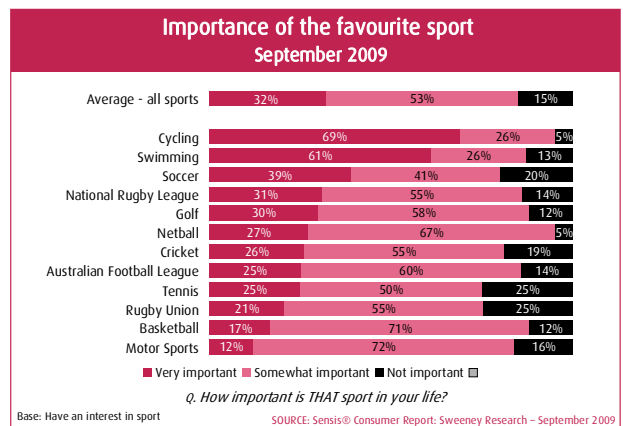
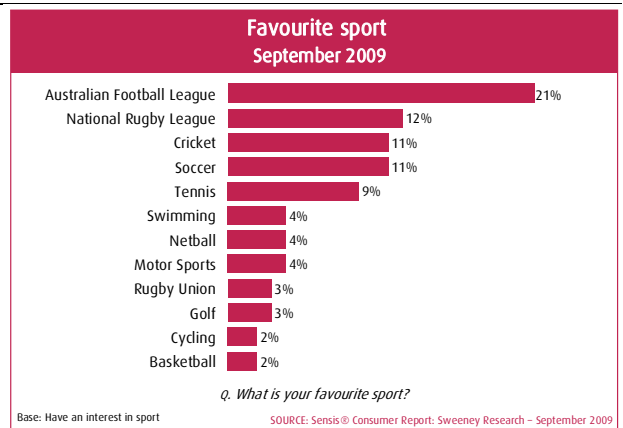
Favourite sport

Of those Australians interested in sport, Australian Football League (AFL) was most nominated as their favourite sport, with more than one in five of those interested in sport nominating AFL as their favourite sport. This was ahead of the 12 per cent of sports fans nominating National Rugby League (NRL) and the 11 per cent who nominated cricket and soccer.

When looking at how important sport was in their lives though, cycling fans were most likely to nominate their sport was very important to their lives. Cycling was nominated as a favourite sport by only two per cent of Australians interested in sport, but 69 per cent of those reported that cycling was very important to their lives, with a further 26 per cent reporting that it was important. Swimming was the sport next most likely to be nominated as very important, at 61 per cent, followed by soccer at 39 per cent. AFL, while most nominated as the favourite sport, was only rated as very important to their lives by 25 per cent of supporters.

One in three sporting fans reported they had never participated in their favourite sport, with 30 per cent reporting they used to participate but no longer did, and 37 per cent reporting they currently participated in their favourite sport.

On average for all sports, Australian sporting fans reported they attended their favourite sport 7.2 times per year on average. Basketball fans were the most likely to report attending a match of their favourite sport, with supporters reporting they attended 12.7 times per year on average. This was ahead of cycling, with cycling fans reporting they attended events 10.1 times per year.



Sporting affiliations

Of those who reported an interest in sport, the majority held an allegiance to a particular team with only 16 per cent reporting they did not have a favourite sporting team. Females were much more likely to not have a particular favourite sporting team, with only one in ten male sports fans not having a favourite team, compared to almost one in four females.

Overall, some 34 per cent of sporting fans reported their favourite team was an AFL team, compared to 20 per cent supporting a NRL team.

Nationally, the team most likely to be nominated by Australians as their favourite sporting team was the Australian Cricket team, nominated by five per cent of those interested in sport.

Within each state however, the allegiance was very localised. In New South Wales, despite NRL being the most favoured sport, it was an AFL team, the Sydney Swans, most likely to be named as a favourite team. With NRL followers split between many teams, the St George Dragons was the most nominated favourite team.

In Victoria, the home of the AFL, Collingwood was nominated by the highest proportion of sporting fans as their favourite team. No non-AFL team in Victoria was nominated by more than five per cent of sporting fans.

In Queensland, an NRL team – the Brisbane Broncos, was nominated by a very strong 21 per cent of sporting fans as their favourite team, ahead of the Australian Cricket Team at eight per cent and AFL team, the Brisbane Lions, at seven per cent.

In South Australia, the AFL team the Adelaide Crows, was nominated by 44 per cent of sporting fans as their favourite team, the highest proportion of support within any state for a team. In Western Australia, AFL teams also dominated, with support for the West Coast Eagles the highest at 28 per cent, compared to 17 per cent for Fremantle.

In Tasmania, AFL teams dominated, with support for St Kilda highest at 10 per cent of sporting fans, ahead of eight per cent for Collingwood and seven per cent each for Carlton and Hawthorn.

The Northern Territory saw support split across sporting codes, with AFL team Collingwood having the highest support overall, slightly above the Australian Cricket Team and the NRL team Brisbane Broncos. In the Australian Capital Territory the local NRL team, the Canberra Raiders, recorded the highest support at 10 per cent, ahead of seven per cent for the AFL team Collingwood.

Sporting affiliations by demographics

	No team	Australian Football League	National Rugby league	Other
Total	16%	34%	20%	30%
Male	10%	34%	23%	33%
Female	24%	35%	15%	27%
14 – 19 years	15%	30%	18%	37%
20 – 29 years	20%	29%	20%	31%
30 – 39 years	14%	33%	18%	35%
40 – 49 years	13%	35%	19%	34%
50 – 64 years	15%	40%	20%	25%
Over 64 years	18%	35%	23%	24%

q. What is your favourite sporting team?

Base: Have an interest in sport SOURCE: Sensis® Consumer Report: Sweeney Research – September 2009

The favourite sporting teams (Nominated by 5% or more in each State or Territory)

NATIONAL	SOUTH AUSTRALIA
Australian Cricket Team 6%	Adelaide Crows 44%
	Port Adelaide 10%
NEW SOUTH WALES	Australian Cricket Team 7%
Sydney Swans 7%	WESTERN AUSTRALIA
St George Dragons 5%	West Coast Eagles 28%
Australian Cricket Team 6%	Fremantle 17%
Parramatta Eels 5%	TASMANIA
VICTORIA	St Kilda 10%
Collingwood 14%	Collingwood 8%
Carlton 11%	Carlton 7%
Hawthorn 8%	Hawthorn 7%
Geelong 8%	NORTHERN TERRITORY
Essendon 7%	Collingwood 9%
QUEENSLAND	Australian Cricket Team 8%
Brisbane Broncos 21%	Brisbane Broncos 5%
Australian Cricket Team 8%	AUSTRALIAN CAPITAL TERRITORY
Brisbane Lions 7%	Canberra Raiders 10%
	Collingwood 7%

Base: Have an interest in sport SOURCE: Sensis® Consumer Report: Sweeney Research – September 2009

How to obtain a copy of the Sensis® *Consumer Report*

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