

Sensis[®] *Consumer Report*

June 2009



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Introduction

The June 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 12 and 26 May 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 June 2009 Sensis® *Consumer Report* are made between consumers and small to medium enterprises. The business results are based on data from the June 2009 Sensis® *Business Index* of 1,800 SMEs.

Executive summary

Consumer confidence

The June 2009 Sensis® *Consumer Report* found a net balance of 39 per cent of Australians reporting confidence in their financial prospects for the year ahead. This result was an increase of 18 percentage points from last quarter, the largest increase in confidence recorded in a single quarter since the start of the Sensis® *Consumer Report* in May 2004. These latest results are a significant turnaround from the 40 percentage point deterioration in confidence recorded between November 2007 and February 2009.

This result compares with the latest business confidence results from the June 2009 Sensis® *Business Index*, which found a net 30 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 also rose 18 percentage points from the previous quarter, and for business confidence this was also the largest increase in a single quarter since the start of the Sensis® *Business Index* in 1993.

Having a secure job was the main reason Australians felt confident, with having a good job being relatively less important than job security. The main reasons for consumers expressing worry were the level of unemployment, uncertainty about the future economic direction and being on a pension.

Twenty-one per cent of Australian households believed they were better off now compared to a year ago (unchanged in the past quarter). Earning more money was the main reason for this belief. Twenty-nine per cent of households felt they were worse off (up one percentage point in the past quarter) with having lost a job being a key reason for feeling worse off in the past quarter.

Expenditure expectations improved or remained stable for all categories in the latest results. Net negative expectations overall were recorded in eight categories this quarter, one less than last quarter.

According to the June 2009 Sensis® *Consumer Report*, Australians were likely to reduce expenditure on entertainment and dining, 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 that they had not been impacted by current economic conditions, with the impact most frequently reported being on Australian's superannuation.

The economy and concerns

The June 2009 Sensis® *Consumer Report* found Australians' net perceptions of the current state of the economy has increased to net negative 62 per cent. This resulted from four per cent of Australian consumers believing the economy was currently growing, less the 66 per cent who believed the economy was currently slowing. With the seven percentage point increase in the past quarter, perceptions of the current state of the Australian economy are some 58 percentage points lower than at the same time last year.

While the proportion of consumers feeling the economy would be worse in a year was six percentage points higher than the proportion who felt it would be better, this represented an improvement of ten percentage points in the past quarter. The net proportion of consumers feeling the economy would improve in a year is now 16 percentage points higher than at the same time last year.

The health system was the top concern for Australians in the June 2009 Sensis® *Consumer Report*, followed by increases in the cost of living and the state of the economy. The largest increase in levels of concern for Australians was in relation to the standard and quality of our political leaders, followed by the local crime rate. These were the only two issues to increase in concern levels in the past quarter, with falls recorded for all other issues. The largest drop in concern for any issue was for the drought.

Our end of financial year plans

The June 2009 Sensis® *Consumer Report* found little change in the proportion of Australians expecting to use an accountant to prepare their tax return. There was a slight increase in the proportion of Australians using a financial planner this year compared to last year, but again the change was marginal. Younger Australians were more likely to report an increase in use of accountants, however the increase in Australians using financial planners was greatest for those aged between 50 and 64. Overall, the use of accountants peaked for Australians aged in their 30s, while the use of financial planners was highest for those between 50 and 64 years of age.

The survey also found the higher an individual's income was the higher the propensity to use an accountant. However, this was not the case for financial planners, with those earning between \$55,000 and \$85,000 most likely to use a financial planner.

Section 1 : Economic confidence

Overall confidence in financial prospects

Key findings

The June 2009 Sensis® *Consumer Report* found a net 39 per cent of consumers expressed relative confidence in their financial prospects for the year ahead. With confidence increasing by 18 percentage points in the past quarter, this latest result is the largest increase in confidence in a single quarter since the Sensis® *Consumer Report* commenced in May 2004.

Australians recorded strongly improved confidence with a net balance result of 39 per cent. This result comprised an increased 60 per cent of Australians who were confident about their prospects for the year ahead, in conjunction with a decreased 21 per cent who were worried.

The June 2009 Sensis® *Consumer Report* found net confidence among consumers significantly 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 30 per cent; compared to overall net confidence of 39 per cent for consumers.

The net result of consumer confidence at 39 per cent represents a strong turnaround in the net proportion of consumers who felt confident (up nine percentage points from the past quarter), coupled with an equally large decrease in the proportion of consumers who are worried (down nine percentage points). The 18 percentage point improvement in confidence represents a significant turnaround when viewed in the context of the forty percentage point deterioration in confidence since its peak in November 2007.

While consumer confidence remains significantly above business confidence, it is interesting to note both business and consumer confidence each rose by 18 percentage points. In each case, the increase represented the largest increase in a single quarter in both business and consumer confidence.

Confidence trends – past five quarters

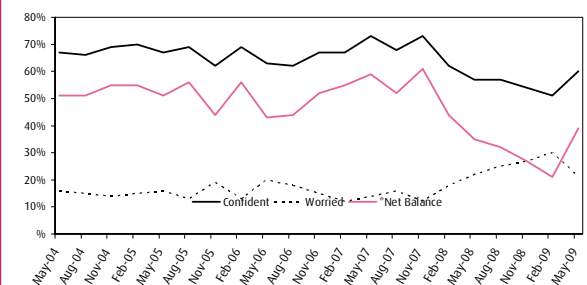
	May 2008	August 2008	November 2008	February 2009	May 2009
Extremely confident	13%	11%	9%	11%	13%
Fairly confident	44%	46%	45%	40%	47%
Neutral	20%	18%	19%	19%	19%
Fairly worried	18%	21%	22%	23%	17%
Extremely worried	4%	4%	5%	6%	4%
Total confident	57%	57%	54%	51%	60%
Total worried	22%	25%	27%	30%	21%
*Net Balance	+35%	+32%	+27%	+21%	+39%

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 – June 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 – June 2009

Overall confidence Comparison with business – June 2009

	Consumers ¹	Business ²
Extremely confident	13%	11%
Fairly confident	47%	43%
Neutral	19%	23%
Fairly worried	17%	20%
Extremely worried	4%	4%
Total confident	60%	54%
Total worried	21%	24%
*Net Balance	+39%	30%

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

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

Overall confidence in financial prospects by respondent characteristics

The June 2009 Sensis® Consumer Report found the large improvement of 21 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 17 percentage points higher than female confidence.

Australians aged under 30 remained the most confident, with net confidence in this age group up by 29 percentage points since last quarter. Confidence increased in all age demographics in the past quarter, with the increase in confidence recorded for those aged under 30 the largest of any age group. The smallest increase in confidence for any age demographic was for those aged over 64, where the improvement in confidence was only five percentage points.

Examining both gender and age, the most confident Australians were males aged under 30, with a net confidence level of 64 per cent. This was in stark contrast to females aged over 64, who were the least confident of any age-gender demographic, with confidence at only three per cent. Females aged under 40 reported feeling the most confident of any female age group.

Confidence was significantly higher in metropolitan areas. The most confident Australians were those living in the Australian Capital Territory, where a net 63 per cent of consumers reported feeling confident about their financial prospects for the year ahead, up 29 percentage points in the past quarter. The least confident Australians were in Queensland, with net confidence at 33 per cent, still an improvement of 13 percentage points since the last quarter. Bucking the national trend for the second successive quarter, the only state or territory where confidence fell in the past quarter was Tasmania, where there was a 13 percentage point fall in confidence. Last quarter Tasmania was the only state or Territory to record a rise in confidence. Confidence rose in all other states and territories in the past quarter, with the largest rise being in the Australian Capital Territory.

Couples without children were the least confident about their financial prospects for the year ahead, with confidence at a net 31 per cent, however this was still an improvement of five percentage points in the past quarter. Families with children were most confident recording confidence levels at a net 47 per cent.

Those on the highest income level were the most likely to feel confident, with a net 66 per cent of those with a household income of more than \$85,000 feeling confident, compared to net zero per cent of those with a household income up to \$35,000.

Overall confidence by age and gender *Net balance – June 2009			
	Total	Male	Female
Total	39%	47%	30%
Up to 29 years	55%	64%	47%
30 – 39 years	49%	52%	47%
40 – 49 years	49%	49%	45%
50 – 64 years	25%	36%	12%
More than 64 years	19%	39%	3%

*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 – June 2009

Overall confidence by location *Net balance – June 2009	
Total	39%
Metro	42%
Non metro	32%
New South Wales	37%
Victoria	36%
Queensland	33%
South Australia	45%
Western Australia	45%
Tasmania	34%
Northern Territory	60%
Australian Capital Territory	63%

*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 – June 2009

Overall confidence by socio-economic variables *Net balance – June 2009	
Total	41%
Respondent is..	
The male or female household head in a family with children	47%
The male or female household head in a family without children	31%
Single person living alone or sharing	35%
Household income level..	
Up to \$35,000	0%
\$35,001 to \$55,000	31%
\$55,001 to \$85,000	48%
More than \$85,000	66%

*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 – June 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, which increased marginally in relative importance over the past quarter. This is the fifth 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 level of unemployment, which also increased slightly over the past quarter.

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.

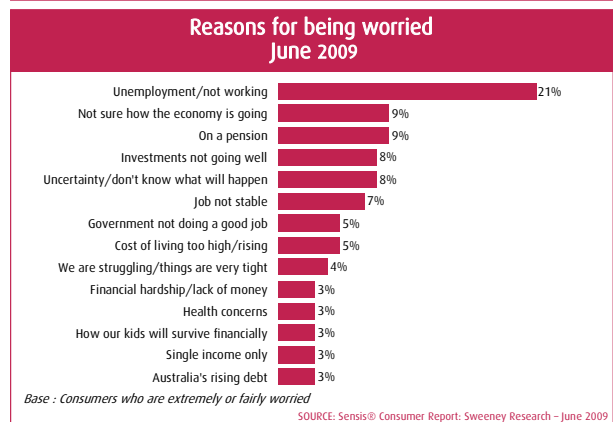
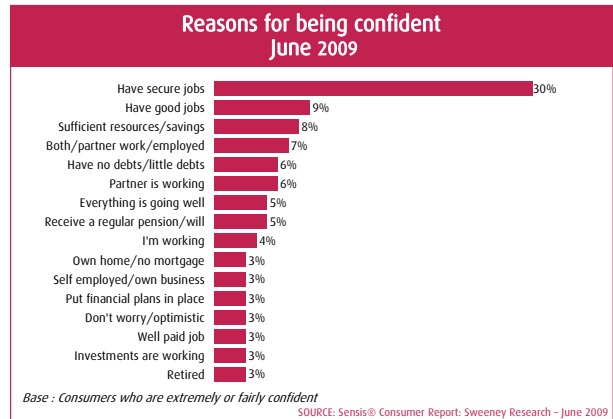
For Australians feeling worried about their financial prospects in the coming year, the main reason was increasing unemployment, which was nominated by 21 per cent of those who were worried. This has increased by three percentage points over the past quarter.

Other key reasons for concern included uncertainty about the direction of the economy and being on a pension (nine per cent each) and investments not doing well and general uncertainty (eight per cent each). Also a feeling that their current job was not stable was mentioned by seven per cent of those that were feeling worried.

While the increasing level of unemployment was the overall main cause for concern, it was again only the top concern for those earning more than \$85,000 a year by income. The level of unemployment was the top concern for every state and territory with the exception of Queensland, where general uncertainty was a higher concern, and the Australian Capital Territory, where a view that politicians were not doing a good job was the top concern for those that were worried.

For those with incomes between \$55,000 and \$85,000 the main concern was uncertainty about the direction of the economy. This was also the top concern for those earning between \$35,000 and \$55,000, equal with a concern their current job was not stable. For those earning up to \$35,000, being concerned because of reliance on a pension was the top issue impacting on confidence levels.

The highest increasing reason for concern over the past quarter was being on a pension, which has risen by five percentage points. Other issues which have risen significantly over the past quarter include a feeling the government has not been doing a good job, which was up four percentage points; unemployment and general uncertainty which have both risen by three percentage points over the past quarter.



Comparison to a year ago

Despite the strong improvement in confidence this quarter, Australians were slightly more likely to feel that they were worse off compared to a year ago.

Some 21 per cent of Australians believed they were better off than a year ago, which was unchanged in the past quarter. Fifty per cent believed their position was about the same as a year ago, down one percentage point. The proportion who felt worse off was up one percentage point from last quarter to 29 per cent. This resulted in a further net decline of one percentage point in the proportion of Australians feeling better off than a year ago in the past quarter.

With the overall result remaining net negative, it represents a relatively stable result from last quarter, falling by a relatively marginal one percentage point. It is however, the fifth 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, however only those in the highest income demographic, earning \$85,000 a year and above, were more likely to feel they were better off on balance. Those with incomes up to \$85,000 were more likely to feel that, 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 24 per cent, a marginal improvement of one percentage point in the past quarter.

The only states or territories to record net positive results were the Northern Territory and the Australian Capital Territory. In the Northern Territory 36 per cent of residents felt they were better off than a year ago, compared to 15 per cent felt they were worse off. In the Australian Capital Territory some 29 per cent reported they felt better off, compared to 21 per cent who felt worse off. Residents of every other state were more likely to feel worse off on balance. Queenslanders were most likely to feel worse off on balance than a year ago. Australians living in metropolitan areas were less likely than those living in regional areas to feel worse off than a year ago (net negative five per cent compared to net negative 14 per cent).

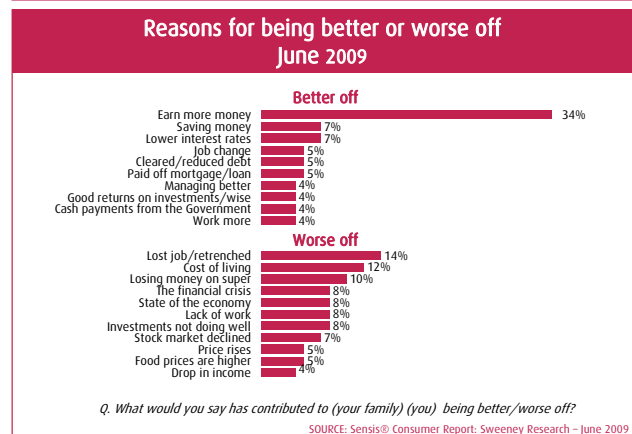
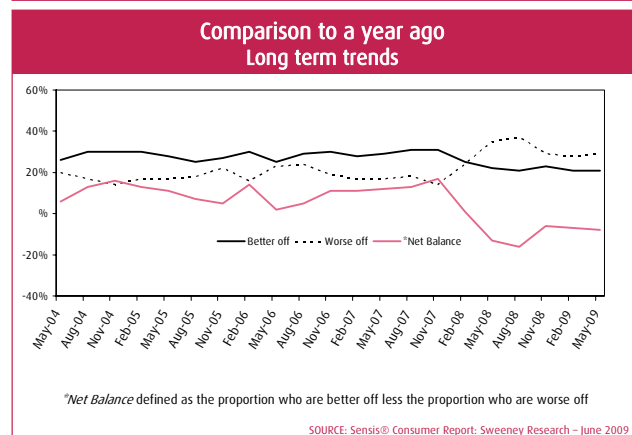
Having lost a job or been retrenched, increases in the cost of living and losing money on superannuation topped the list of reasons for feeling worse off. The overwhelming reason Australians gave for feeling better off than a year ago related significantly to increased earnings, in line with the past 16 quarters.

Comparison to a year ago Trends					
	May 2008	August 2008	November 2008	February 2009	May 2009
Better off	22%	21%	23%	21%	21%
Same	43%	42%	47%	51%	50%
Worse off	35%	37%	29%	28%	29%
*Net Balance	-13%	-16%	-6%	-7%	-8%

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 - June 2009



Household expenditure expectations

In line with improved confidence levels, consumer expenditure expectations improved with consumers expecting to increase expenditure in more categories than they were expecting to decrease expenditure, and positively all categories were either equal or improved from last quarter. The areas most Australians expected to increase spending in the next 12 months were general household expenses, health and medical expenses and transport costs.

Overall, the category with the highest net proportion of consumers expecting to increase expenditure was general household expenses, by a net 32 per cent. This result was up by four percentage points since last quarter, however was down by 30 percentage points compared to the same time last year.

Consumers were expecting to spend less on balance than last quarter on eight categories (down from nine categories last quarter): home renovations or improvements; holidays and travel; personal care; special events; entertainment, sport and leisure activities; home entertainment; items for the home; and dining out, fast food or home deliveries. Despite the negative expectations for these categories, the trends have increased since the past quarter, with only the trends for home renovations and improvements; entertainment, sport and leisure activities and home entertainment unchanged.

Examining trends, every other category this quarter reported an improvement in the overall net balance of consumer expenditure expectations. The improvement was greatest for health and medical expenses; housing costs; telecommunications; personal care and grooming products; and dining out, fast food and home deliveries, where the net balance in each of these categories improved by five percentage points.

Families with children were most likely expecting to increase spending on transport and education costs.

Singles were expecting the larger increases in expenditure than other household demographics in general household expenses; health and medical expenses; housing costs; home renovations; holidays and travel; personal care; special events; home entertainment; items for the home; and dining out, fast food and home deliveries.

Household expenditure expectations June 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	42%	10%	47%	+32%
Health and medical expenses	26%	8%	66%	+18%
Transport costs - cars or public transport	26%	14%	60%	+12%
Education costs	18%	10%	72%	+8%
Housing costs such as mortgage payments or rent	19%	13%	69%	+6%
Telecommunications - including mobiles and internet	16%	13%	72%	+3%
Home renovations or improvements	21%	24%	55%	-3%
Holidays and travel	22%	28%	50%	-6%
Personal care or grooming products or services	9%	14%	78%	-5%
Special events or occasions (eg. Parties, weddings etc)	12%	21%	67%	-9%
Entertainment, sport and leisure activities	10%	21%	69%	-11%
Home entertainment such as DVD's, CDs	6%	21%	73%	-15%
Items for the home such as furniture or electrical goods	17%	31%	52%	-14%
Dining out, fast food or home deliveries	6%	29%	65%	-23%

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 - June 2009

Household expenditure expectations Trends in *Net Balance

	May 2008	Aug 2008	Nov 2008	Feb 2009	May 2009
General household expenses - groceries and bills	62%	60%	40%	28%	32%
Health and medical expenses	25%	21%	13%	13%	18%
Transport costs - cars or public transport	49%	46%	17%	8%	12%
Education costs	13%	17%	10%	7%	8%
Housing costs such as mortgage or rent	37%	29%	9%	1%	6%
Telecommunications - including mobiles & Internet	6%	6%	0%	-2%	3%
Home renovations or improvements	3%	10%	3%	-3%	-3%
Holidays and travel	2%	1%	-7%	-9%	-6%
Personal care/grooming products	1%	2%	-3%	-10%	-5%
Special events or occasions (eg. parties, weddings etc)	-4%	1%	-5%	-11%	-9%
Entertainment, sport and leisure activities	-3%	-1%	-7%	-11%	-11%
Home entertainment	-14%	-12%	-13%	-15%	-15%
Items for the home such as furniture or electrical goods	-10%	-8%	-13%	-18%	-14%
Dining out, fast food or home deliveries	-17%	-15%	-22%	-28%	-23%

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 - June 2009

Household expenditure expectations By family status - June 2009

*Net balance for..	Total	Families with children	Families no children	Singles
General household expenses - groceries and bills	32%	29	33	36
Health and medical expenses	18%	17	18	19
Transport costs - cars or public transport	12%	14	11	12
Education costs	8%	22	-4	1
Housing costs such as mortgage or rent	6%	3	2	16
Telecommunications - including mobiles & Internet	3%	4	2	4
Home renovations or improvements	-3%	-5	-2	2
Holidays and travel	-6%	-10	-6	1
Personal care/grooming products	-5%	-5	-7	-1
Special events or occasions (eg. parties, weddings etc)	-9%	-14	-9	-2
Entertainment, sport and leisure activities	-11%	-11	-11	-14
Home entertainment	-15%	-18	-13	-11
Items for the home such as furniture or electrical goods	-14%	-20	-14	-3
Dining out, fast food or home deliveries	-23%	-30	-20	-17

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

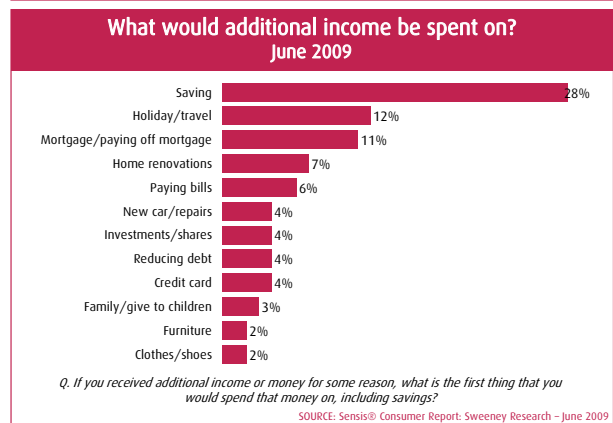
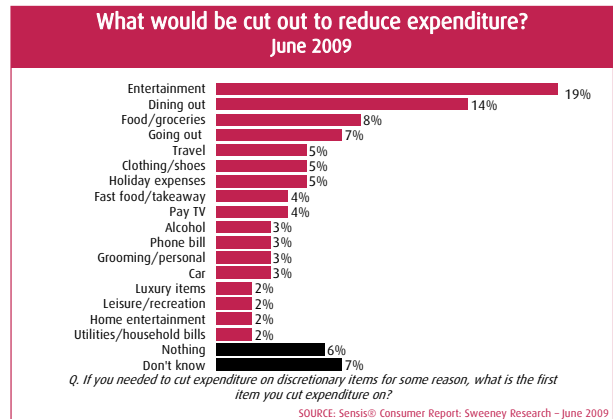
SOURCE: Sensis® Consumer Report: Sweeney Research - June 2009

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 again money spent on entertainment and dining out, with 19 per cent of consumers nominating entertainment as an area they would look to decrease and 14 per cent nominating dining out 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. Historically, paying off mortgages has generally been in second position, however this quarter saw having a holiday coming into second position, now ahead of paying off a mortgage. Having a holiday or travel has increased by two percentage points over the past quarter. Home renovations were the next most likely area Australians would look to spend some extra income on.

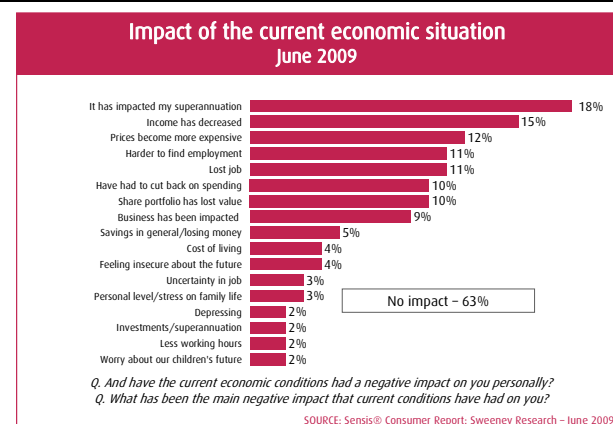


Impact of the current financial crisis

Overall, most Australians had not felt impacts from the current financial market situation, with 37 per cent of Australians reporting some level of impact. This had fallen from 43 per cent last quarter. Superannuation continued to be the impact most likely to be reported.

Overall, some 63 per cent of Australians reported they had not been impacted by the current economic situation, up by six percentage points in the past quarter. Residents of Tasmania were most likely to feel they had been negatively impacted at 40 per cent, with those in the Australian Capital Territory least likely (26 per cent). The impact was highest for those with incomes up to \$35,000 (38 per cent negatively impacted).

The main impact reported was on superannuation, followed by a decrease in income and prices becoming more expensive. Most income groups reported the impact on superannuation had been the main impact on them, with the only exception being those earning between \$35,000 and \$55,000. A decrease in income was the main impact reported by those households in this income group.



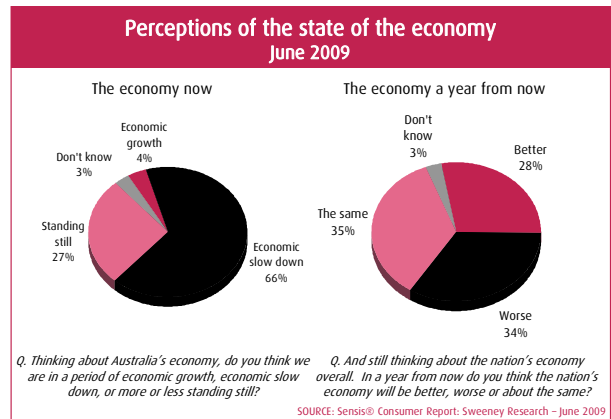
Perception of the state of Australia's economy

With the improvement in consumer confidence, the June 2009 Sensis® Consumer Report found the net proportion of consumers who felt Australia was currently slowing reduced. Only four per cent of consumers felt the economy was currently growing (up one percentage points), compared to 66 per cent who felt the economy was currently slowing down (down six percentage point), and 27 per cent who felt it was standing still. This resulted in a net balance of negative 62 per cent of consumers who felt the economy was currently in a growth phase. This result was up by seven percentage points since last quarter but down by 58 percentage points from the same time last year.

While all consumers in all states and territories felt the economy was in a slow down phase, there was some variation as to the extent of this, with perceptions of the current state of the Australian economy spanning a 24 percentage point band. Residents of the Northern Territory held the highest perceptions of the current state of the economy (negative 42 per cent), while consumers in South Australia held the lowest perceptions (net negative 66 per cent each).

There was more significant improvement in expectations for the economy for the coming year. When asked how the economy would be performing a year from now, 28 per cent of consumers felt it would be better than the current situation, up four percentage points in the past quarter. This compared to the 34 per cent who thought it would be worse than it is now (down six percentage points in the past quarter). Some 35 per cent of consumers felt the economy would be the same in a year's time. This resulted in a net negative six per cent, an improvement of ten 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 16 percentage points compared to the same time last year, indicating consumers are starting to change their perceptions of Australia's potential for economic growth for the year ahead, while at the same time recognising the economic situation is still likely to be subdued.

When the same question was asked in the June 2009 Sensis® Business Index, businesses reported slightly more optimistic views on the state of the economy now (net negative 56 per cent for businesses compared to net negative 62 per cent for consumers), and identical views on the future direction of the economy (net negative six per cent each).

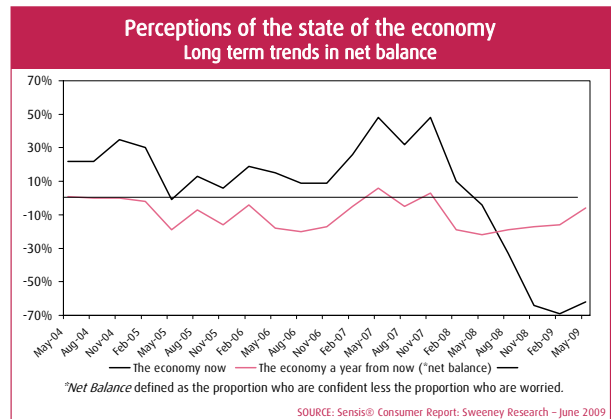


Perceptions of the state of the economy Trends

	May 2008	August 2008	November 2008	February 2009	May 2009
The economy now					
Growth	33%	18%	7%	3%	4%
Slowing	37%	51%	71%	72%	66%
*Net balance	-4%	-33%	-64%	-69%	-62%
The economy a year from now					
Better	19%	20%	23%	24%	28%
Worse	41%	39%	40%	40%	34%
*Net Balance	-22%	-19%	-17%	-16%	-6%

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

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



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

	Consumers ¹	Business ²
The economy now		
Growth	4%	4%
Slowing	66%	60%
*Net balance	-62%	-56%
The economy a year from now		
Better	28%	29%
Worse	34%	35%
*Net balance	-6%	-6%

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

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

Section 2 : Our concerns

Prime concerns

The health system was the highest concern for Australians overall, followed by increases in the cost of living and concerns about the state of the economy, according to the June 2009 Sensis® Consumer Report.

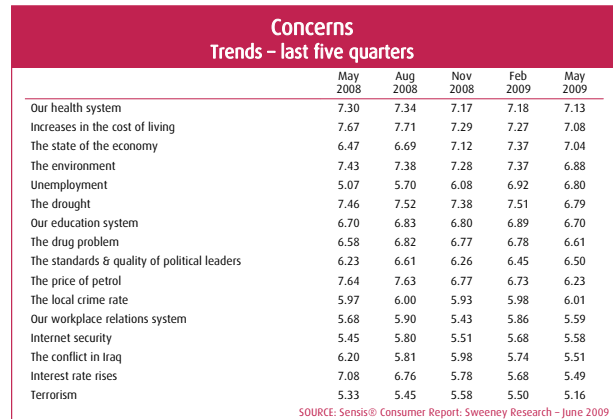
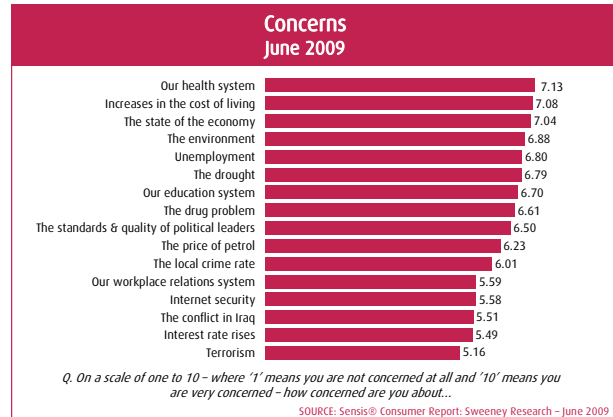
When asked to rank topical issues on a scale of one, representing no concern at all, to 10, representing a high level of concern, the health system scored an average score of 7.13. Despite being the highest ranked concern overall, the level of concern about the health system fell by 0.05 during the quarter. The highest level of concern for the health system was recorded in Tasmania (7.73) with the lowest level recorded in the Australian Capital Territory (6.83). The health system was the top concern overall for residents of New South Wales, Queensland and Tasmania.

The health system was the top concern overall for those earning between \$55,000 and \$85,000. For those earning up to \$55,000 the top concern was increases in the cost of living and for those earning \$85,000 and over the state of the economy was the top concern.

The second highest concern for Australians was increases in the cost of living, which ranked at 7.08, a fall of 0.19 in the past quarter. Those with household incomes up to \$35,000 were most likely to be concerned about this issue (7.52). Residents of New South Wales were most likely to be concerned about increases in the cost of living (7.25) while residents of the Australian Capital Territory reported the lowest levels of concern about increases in the cost of living (6.27).

While almost all issues fell in the level of concern in the past quarter, concerns about the standards and quality of our political leaders recorded the highest increase, up by 0.05 to 6.50. Concerns about the standards and quality of political leaders were greatest in New South Wales (6.83) and lowest in the Northern Territory (5.88). The level of concern about the quality of political leaders was registered among those with household incomes up to \$35,000 (6.72) and the lowest level of concern among those with household incomes between \$35,000 and \$55,000 (6.09). The only other issue to record an increased concern level in the past quarter was the local crime rate, which was up by 0.03 to 6.01.

As already mentioned, most issues recorded comparatively lower levels of concern in the past quarter. The largest fall in the level of concern over the past quarter was recorded for the drought, with concern levels falling by 0.72.



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 the drug problem and the environment. The topic of concern where male and female views most closely aligned was the standard and quality of Australia's political leaders, with concern levels varying by only 0.01 between males and females.

Concerns did vary by income, with those on household incomes less than \$55,000 most concerned about increases in the cost of living. For those earning between \$55,000 and \$85,000 the health system was the top concern, while for the highest income bracket, \$85,000 and above, the top issue of concern was the state of the economy.

Australians aged under 20 were the least concerned about the most issues of any age group, recording the lowest levels of concern for nine different concern categories. Those aged in their 20s reported the highest levels of concern for the environment, the price of petrol and interest rates.

Australians aged from 30 to 39 years were most concerned about increases in the cost of living. Those aged in their 40s displayed the highest levels of concern over the health system and the education system of any age demographic. Australians aged from 50 to 64 years showed the highest level of concern for the state of the economy, unemployment, the standards and qualities of our political leaders and internet security.

Those Australians aged 65 years and over were more likely than any other age group to be concerned about most issues this quarter including the drought, the drug problem, the local crime rate, the workplace relations system, the conflict in Iraq and terrorism.

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 increases in the cost of living was the top issue. For those Australians in their 20s the environment was the greatest concern. For those Australians aged over 64 the drug problem was the most concerning issue.

	Total	Male	Female	Difference
The conflict in Iraq	5.51	4.96	6.03	-1.07
The drug problem	6.61	6.18	7.03	-0.85
The environment	6.88	6.46	7.28	-0.82
Internet security	5.58	5.23	5.92	-0.69
Increases in the cost of living	7.08	6.75	7.39	-0.64
Terrorism	5.16	4.88	5.43	-0.55
The local crime rate	6.01	5.73	6.27	-0.54
Our health system	7.13	6.86	7.38	-0.52
Our education system	6.70	6.48	6.90	-0.42
Unemployment	6.80	6.59	7.00	-0.41
The drought	6.79	6.58	6.99	-0.41
The state of the economy	7.04	6.84	7.23	-0.39
Our workplace relations system	5.59	5.41	5.76	-0.35
The price of petrol	6.23	6.07	6.38	-0.31
Interest rate rises	5.49	5.41	5.58	-0.17
The standards & quality of political leaders	6.50	6.49	6.50	-0.01

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

	Total	Up to 19	20 to 29	30 to 39	40 to 49	50 to 64	65+
Our health system	7.13	6.27	6.31	7.12	7.80	7.77	6.99
Increases in the cost of living	7.08	6.88	7.05	7.30	7.08	6.98	7.09
The state of the economy	7.04	6.44	6.63	6.96	7.23	7.38	7.33
The environment	6.88	6.66	7.11	7.00	7.04	7.01	6.25
Unemployment	6.80	6.34	6.74	6.44	6.84	7.13	7.12
The drought	6.79	6.02	6.25	6.66	6.99	7.24	7.25
Our education system	6.70	6.29	6.42	6.71	7.03	6.91	6.60
The drug problem	6.61	6.24	5.59	6.02	6.43	7.35	7.95
The standards & quality of political leaders	6.50	5.78	6.02	5.96	6.90	7.21	6.75
The price of petrol	6.23	6.02	6.44	6.07	6.35	6.26	6.15
The local crime rate	6.01	5.76	5.70	5.61	6.02	6.28	6.62
Our workplace relations system	5.59	5.24	5.21	5.40	5.81	5.87	5.90
Internet security	5.58	5.30	5.47	5.22	5.43	6.02	5.99
The conflict in Iraq	5.51	5.70	5.20	4.67	5.23	5.97	6.45
Interest rate rises	5.49	5.13	6.00	5.53	5.71	5.20	5.27
Terrorism	5.16	4.98	4.99	4.72	4.66	5.57	6.06

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

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

Section 3: Accountants, financial planners & tax refunds

Use of accountants and financial planners

Despite the increased deterioration in the state of the economy over the past year, there was no change in the proportion of Australians planning on using accountants and only a minor increase in the proportion of Australians planning to use a financial planner. While less likely to report intending to use a financial planner, the proportion of females planning to this year reported the largest increase by gender, up by two percentage points.

Younger Australians reported the biggest increase in intention to use an accountant to prepare their tax return, with the proportion of those aged under 30 planning to use an accountant to prepare their tax returns up by eight percentage points, and the proportion of those in their 30s planning on using an accountant up by six percentage points. Older Australians were more likely to increase their use of financial planners, with the proportion currently doing so up by two percentage points.

Australians with higher incomes were significantly more likely to use an accountant, however there was not as much difference in their propensity to use a financial planner. The highest reported use of financial planners was for those earning between \$55,000 and \$85,001, which was marginally above the highest income group.

Use of accountants and financial planners by age and gender				
	Use accountant		Use financial planner	
	This year	Last year	This year	Last year
Total	66%	66%	27%	26%
Male	68%	67%	29%	30%
Female	65%	64%	25%	23%
Up to 29 years	44%	36%	5%	5%
30 – 39 years	81%	75%	26%	31%
40 – 49 years	72%	76%	26%	23%
50 – 64 years	77%	77%	38%	36%
More than 64 years	58%	62%	36%	36%

Q. With the end of financial year coming up, are you planning on using an accountant for your tax return? Did you use an accountant for your tax return last year? Do you currently use a financial planner? Did you use a financial planner 12 months ago?

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

Use of accountants and financial planners by income level				
	Use accountant		Use financial planner	
	This year	Last year	This year	Last year
Total	66%	66%	27%	26%
Up to \$35,000	53%	51%	28%	24%
\$35,001 to \$55,000	61%	66%	22%	24%
\$55,001 to \$85,000	75%	79%	32%	31%
More than \$85,000	82%	80%	31%	32%

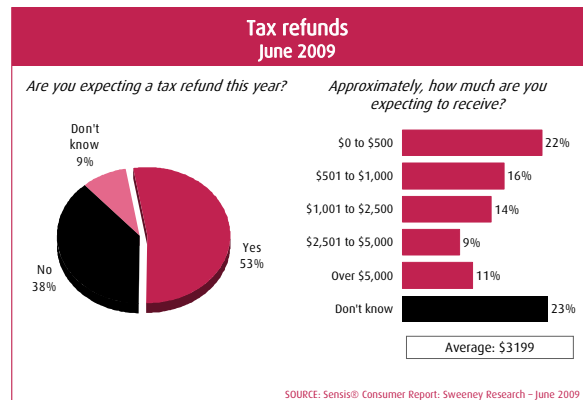
Q. With the end of financial year coming up, are you planning on using an accountant for your tax return? Did you use an accountant for your tax return last year? Do you currently use a financial planner? Did you use a financial planner 12 months ago?

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

Expectation for tax refund

Just over half of Australia’s consumers were expecting a tax refund this year. Just under one in four Australians that were expecting a tax refund this year reported that they did not know how much they were expecting to receive.

For those that did have some idea of how much they were expecting to receive, the most common amount was between \$0 and \$500. Overall the average tax return that Australians were expecting to receive was \$3199.



Section 4: Energy costs

Consumer views on carbon pollution reduction

Over the past quarter, despite the improvement in consumer confidence, Australians have continued to decrease their willingness to pay more for energy costs under the Federal Government’s proposed Carbon Pollution Reduction Scheme. The overall level of acceptance of the Federal Government’s proposed Carbon Pollution Reduction Scheme softened with exactly half a per cent of Australians now reporting they are prepared to pay more for energy costs under the scheme. This has decreased from 55 per cent last quarter, and from 60 per cent in the previous quarter.

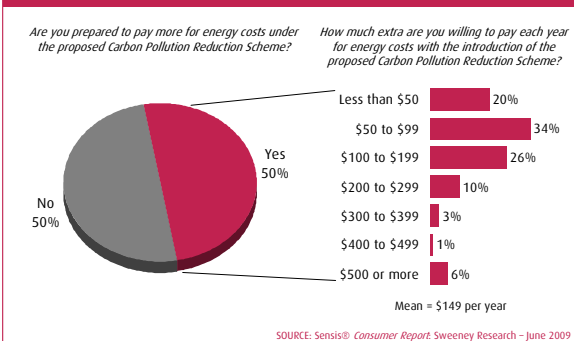
The propensity of Australians being prepared to pay more for future energy costs varied with income, with 40 per cent of those earning up to \$35,000 a year prepared to pay more, which increased up to 59 per cent of those earning \$85,000 and above. Females were more willing to pay additional energy costs (53 per cent, compared to 47 per cent for males). Residents of the Australian Capital Territory were the most likely to report they were willing to pay more for their future energy costs (67 per cent), with residents of New South Wales, South Australia and Tasmania the least willing (47 per cent each).

In line with Australians being less likely to say they would be prepared to pay more for their energy, the amount those that were willing to pay decreased over the past quarter. Of those willing to pay more, between \$50 and \$99 remained the most frequent response (34 per cent). While this was the most frequent response, the overall mean amount people were willing to pay was an additional \$149 a year. This was a fall from \$160 a year last quarter and \$169 a year the previous quarter. There was a considerable variation around the states and territories, with residents of the Northern Territory (\$216) willing to spend the most on additional energy costs, and residents of New South Wales (\$130) willing to pay the least additional energy costs of any state or territory.

Interestingly, while females were more willing to pay for additional energy costs, the amount they were prepared to pay on average, at \$140, was lower than the \$159 on average reported by males who were willing to pay.

And while younger Australians were also more willing to pay, those aged in their 40s that were willing to pay were prepared to pay the most, at \$182 a year on average.

Are people prepared to pay more for energy under the proposed Carbon Pollution Reduction Scheme?



Are people prepared to pay more for energy under the proposed Carbon Pollution Reduction Scheme?

	Prepared to pay	Mean amount prepared to pay
Total	50%	\$149
Male	47%	\$159
Female	53%	\$140
Up to 29 years	60%	\$132
30 – 39 years	48%	\$150
40 – 49 years	47%	\$182
50 – 64 years	55%	\$154
More than 64 years	40%	\$136

Q. Are you prepared to pay more for energy costs under the proposed Carbon Pollution Reduction Scheme?
Q. How much extra are you willing to pay each year for energy costs with the introduction of the proposed Carbon Pollution Reduction Scheme?

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

Are people prepared to pay more for energy under the proposed Carbon Pollution Reduction Scheme?

	Prepared to pay	Mean amount prepared to pay
Total	50%	\$149
Up to \$35,000	40%	\$124
\$35,001 to \$55,000	55%	\$110
\$55,001 to \$85,000	50%	\$163
More than \$85,000	59%	\$172

Q. Are you prepared to pay more for energy costs under the proposed Carbon Pollution Reduction Scheme?
Q. How much extra are you willing to pay each year for energy costs with the introduction of the proposed Carbon Pollution Reduction Scheme?

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

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

The June 2009 Sensis® *Consumer Report* can be accessed on the Sensis internet site at www.about.sensis.com.au.

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