# Sensis® *Consumer Report*

# March 2007

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# Introduction

The March 2007 Sensis® *Consumer Report* is a survey designed to measure the confidence and behaviour of Australia's population.

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 sample size of 1,500 Australians from metropolitan and regional areas of Australia. It includes people from all states and territories, of ages ranging from 14 years and older. Demographics such as gender, employment status, income ranges and family status are collected 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 that 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 businesses in Australia. Historically, the Sensis® *Business Index* has focused specifically on businesses employing 19 people or fewer. In November 2000 it was expanded to cover the medium business sector, while the regional and industrial sectors were also enhanced.

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.

Sensis® is Australia's leading information resource. We make complex lives simpler by helping Australians find, buy and sell. Sensis® delivers innovative and integrated search solutions via print, online, voice and wireless channels to connect Australians 24 hours a day, seven days a week. Our powerful, multi-channel portfolio provides an unparalleled local information source incorporating: the White Pages® and Yellow™ directories; the CitySearch® entertainment site; the Whereis® location and navigation database; sensis.com.au - the search engine for Australians; Sensis 1234, the operator-assisted, premium voice information service; and The Trading Post Group's stable of weekly and monthly publications and Universal Publisher's mapping publications; and the GoStay® Accommodation Guide and complementary website gostay.com.au. Sensis® also owns Invizage Technology, one of Australia's market leaders in IT services to small and medium sized enterprises and manages LinkMe.com.au, an innovative online career networking site, in partnership with MBI Investments. Sensis® also recently announced a majority shareholding in SouFun.com, China's leading real estate and home furnishings website.

# About the survey

The results in this report are based on a survey of 1,500 Australians conducted over the period 20 January to 9 February 2007.

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 March 2007 Sensis® *Consumer Report* are made between consumers and businesses. The business results are based on data from the February 2007 Sensis® *Business Index* of 1,800 SMEs.

# Executive summary

## Consumer confidence

The March 2007 Sensis® *Consumer Report* found a net balance of 55 per cent of Australians reporting confidence in their financial prospects for the year ahead. This result was a further improvement of three percentage points from last quarter.

This result compares with the latest business confidence results from the February 2007 Sensis® *Business Index*, which found a net 56 per cent of SME operators felt confident about their business prospects for the year ahead.

Having a secure job was the main reason provided for Australians feeling confident. The main reason for consumers expressing worry was feeling the cost of living was high.

Some 28 per cent of Australian households believed they were better off than a year ago (down two percentage points in the past quarter), with earning more money being the main reason for this belief. Seventeen per cent of households felt worse off (also down two percentage points in the past quarter) due mainly to increases in the cost of living and interest rates. The net proportion of consumers who felt better off was unchanged in the past quarter, at 11 per cent, down three percentage points from 12 months ago.

The amount Australians expect to spend on living expenditure was in line with the rising concerns over increases in the cost of living and interest rates. In the household expenditure category, consumers expected the greatest increases in general household expenses such as groceries and bills. This was followed by transportation costs and housing costs, including mortgages and rent. The areas consumers were expecting a net decline in expenditure were home entertainment; and dining out, fast food and home delivered food.

According to the March 2007 Sensis® *Consumer Report,* Australians would reduce expenditure on entertainment and going out, followed by dining, if they faced tighter economic circumstances. The item Australians would most likely direct additional income towards was savings, followed by holidays and travel and mortgage reduction.

## The economy and concerns

The March 2007 Sensis® *Consumer Report* found Australians' perceptions of the current state of the economy were strongly improved at 26 per cent. This resulted from 43 per cent of Australian consumers believing the economy was currently growing, less the 17 per cent who believed the economy was currently slowing.

Australians also felt prospects for economic growth in the year ahead were likely to worsen, with the proportion of consumers feeling the economy would be better in a year's time some five percentage points lower than the proportion that felt it would be worse. However, despite remaining negative overall, the net proportion of consumers feeling the economy would improve in a year's time increased by 12 percentage points over the last quarter.

The drought was the greatest concern for Australians in the March 2007 Sensis® *Consumer Report*. While the drought rated higher than any other issue this quarter, it has fallen back from the high level recorded last quarter. The drought was followed by the environment and the health system. The largest increase in concern levels for Australians was in relation to the conflict in Iraq and the largest drop in concern for any issue was for terrorism.

## Our workplace environment

Australians were still more likely to report they felt changes to the workplace relations laws would have a negative impact. Some 36 per cent of those aware of the issues reported the impact would be negative, compared to 11 per cent who felt there would be a positive impact. This resulted in an overall net balance result of 25 per cent – down five percentage points in the last quarter.

The main reasons Australians felt the new laws would have a negative impact was they would suffer a loss of rights, that employment would be less secure, changes would give all the control to employers, and their income might be reduced. The main reason for reporting a positive impact was the new laws were seen as more flexible and convenient.

Overall, some 14 per cent of Australians felt they did not understand the changes to the workplace relations laws at all. In total 16 per cent of Australians felt they understood the changes thoroughly, a decrease from 17 per cent last quarter. Some 45 per cent of Australians on average reported they wanted more information on how changes would impact them, an increase from 35 per cent last quarter.

## Our time management

The March 2007 Sensis® *Consumer Report* found financial management and planning is the area most Australians are expecting to increase the amount of time they spend. This was followed by using a computer and health and medical appointments or services.

There were three areas Australians expected to decrease the amount of time they spend: dining out, shopping for food or groceries online, and shopping for items for the home.

Meal preparation was the household task most likely to be outsourced, with some 23 per cent of Australians reporting outsourcing meals by eating at restaurants and 20 per cent reporting buying take-away meals. Other popular tasks for outsourcing were cleaning, which was outsourced by 13 per cent of Australians and personal grooming, outsourced by 12 per cent of Australians.

## Business ownership

The March 2007 Sensis® *Consumer Report* found 21 per cent of Australian households reported owning interest in a business, a fall of two percentage points in the past quarter. Overall some 13 per cent of households have a home-based business, and eight per cent have an externally-operated business.

The March 2007 Sensis® *Consumer Report* also found of the 17 per cent of Australians that reported playing golf, just more than one-quarter (26 per cent) reported they played golf with their business contacts. However, some 41 per cent reported no business had actually been transacted as a result of playing golf with their business contacts. Of those that had transacted business, some 14 per cent reported a total value of golf-induced business in excess of $500,000.

# Section 1 : Economic confidence

## Overall confidence in financial prospects

### Key findings

The March 2007 Sensis® *Consumer Report* found a net 55 per cent of consumers expressed relative confidence in their financial prospects for the year ahead. The level of confidence among consumers improved further in the last quarter; however confidence is still one percentage point lower than the level recorded 12 months ago.

Australians recorded stronger confidence with a net balance result of 55 per cent. This comprised an unchanged 67 per cent of Australians who were confident about their prospects for the year ahead, while 12 per cent were worried, a fall of three percentage points.

The March 2007 Sensis® *Consumer Report* found net confidence among consumers one percentage point lower than business confidence measured in the concurrent Sensis® *Business Index*. The most recent Sensis® *Business Index* found net confidence among business proprietors in their business prospects for the year ahead was 56 per cent.

The net result of consumer confidence at 55 per cent represents an unchanged proportion of consumers that felt confidence combined with a three percentage point decrease in the proportion feeling worried. The largest overall shift in confidence was an additional three per cent of Australians that felt extremely confident of their prospects for the year ahead.

This improved consumer confidence result compares to net confidence among SME proprietors which, in line with consumer confidence, continued to show further strong improvement over the past quarter. Businesses were more optimistic as a result of experience in running their business, despite some negative impact on confidence from the drought situation affecting many areas in Australia.

The major difference in confidence between businesses and consumers was an additional two per cent of business operators felt confident about their prospects for the coming year. Whilst businesses were marginally more confident on balance than consumers, there was also a slightly higher proportion of businesses that expressed some level of concern over their prospects compared to consumers.

**Confidence trends – past five quarters**

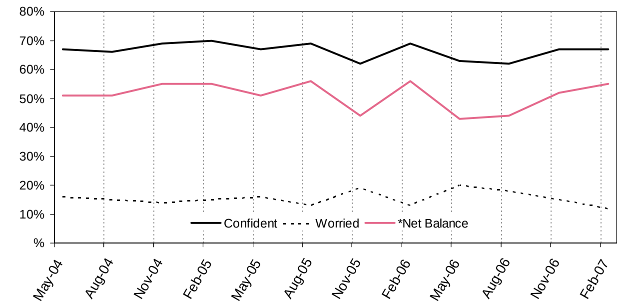
| | February 2006 | May 2006 | August 2006 | November 2006 | February 2007 |
|---|---|---|---|---|---|
| Extremely confident | 18% | 14% | 16% | 15% | 18% |
| Fairly confident | 51% | 48% | 46% | 52% | 49% |
| Neutral | 18% | 17% | 20% | 17% | 20% |
| Fairly worried | 11% | 17% | 15% | 14% | 10% |
| Extremely worried | 2% | 3% | 3% | 1% | 2% |
| Total confident | 69% | 62% | 62% | 67% | 67% |
| Total worried | 13% | 20% | 18% | 15% | 12% |
| ***Net Balance** | **+56%** | **+42%** | **+44%** | **+52%** | **+55%** |

*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 - February 2007

**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 - February 2007

**Overall confidence**
Comparison with business - February 2007

| | Consumers[1] | Business[2] |
|---|---|---|
| Extremely confident | 18% | 16% |
| Fairly confident | 49% | 53% |
| Neutral | 20% | 18% |
| Fairly worried | 10% | 10% |
| Extremely worried | 2% | 3% |
| Total confident | 67% | 69% |
| Total worried | 12% | 13% |
| ***Net Balance** | **+55%** | **+56%** |

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

SOURCE: [1]Sensis® *Consumer Report :Sweeney Research - February 2007*
[2]Sensis® *Business Index :Sweeney Research - February 2007*

# Overall confidence in financial prospects by respondent characteristics

The March 2007 Sensis® *Consumer Report* found confidence was higher amongst males by some 15 percentage points. However, this latest result represents no change in male confidence over the last quarter, and a rise in female confidence of seven percentage points. From this result it can be seen the rise in overall confidence this quarter is primarily due to a rise in confidence amongst females.

It is interesting to note Australians more than 64 years of age were the most confident in the past quarter, with confidence actually falling in every age group less than 50 years. However, examining both gender and age, the most confident Australians in March 2007 were males more than 64, with a net confidence level of 72 per cent. This was in stark contrast to females aged in their 40s, who were the least confident of any age-gender demographic. Females aged more than 64 reported feeling the most confident of any female age group. Male age demographics more than 50 years and those in their 30s reported increasing confidence in the past quarter; however while female age groups over 50 and under 30 also reported stronger confidence.

Following a solid increase, Australians living in metropolitan areas again reported higher levels of confidence than in regional Australia, where confidence fell. The most confident Australians were again living in the Australian Capital Territory, where a net 64 per cent of consumers reported feeling confident about their financial prospects for the year ahead, up one percentage point from last quarter. The least confident Australians were in Tasmania, with net confidence at 46 per cent. Confidence rose in New South Wales, Victoria, South Australia, Western Australia and the Australian Capital Territory in the past quarter. The largest rise in confidence was recorded in New South Wales and South Australia with a seven percentage point increase recorded in both states.

Examining family status, those living in a household without children were again the most confident about their financial prospects for the year ahead, with confidence at a net 64 per cent. Families with children were least confident with confidence at a net 49 per cent compared to a net 54 per cent for singles.

Those with the highest household income ($85,000 plus) were, not surprisingly, the most likely to feel confident, with a net 73 per cent reporting feeling confident, compared to 30 per cent of those with a household income up to $35,000. Interestingly, the highest increase in confidence was amongst those earning the least, with confidence increasing by 12 percentage points for those on incomes up to $35,000, compared to a fall in confidence of three percentage points for those households earning $85,000 and more.

**Overall confidence by demographics**
*Net balance

| | Total | Male | Female |
|---|---|---|---|
| **Total** | **55%** | **63%** | **48%** |
| Up to 29 years | 48% | 45% | 50% |
| 30 – 39 years | 54% | 68% | 41% |
| 40 – 49 years | 44% | 52% | 37% |
| 50 – 64 years | 61% | 71% | 51% |
| Over 64 years | 68% | 72% | 64% |

**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 - February 2007

**Overall confidence by location**
*Net balance

| | |
|---|---|
| **Total** | **55%** |
| Metro | 59% |
| Non metro | 49% |
| New South Wales | 57% |
| Victoria | 54% |
| Queensland | 53% |
| South Australia | 59% |
| Western Australia | 56% |
| Tasmania | 46% |
| Northern Territory | 61% |
| Australian Capital Territory | 64% |

**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 - February 2007

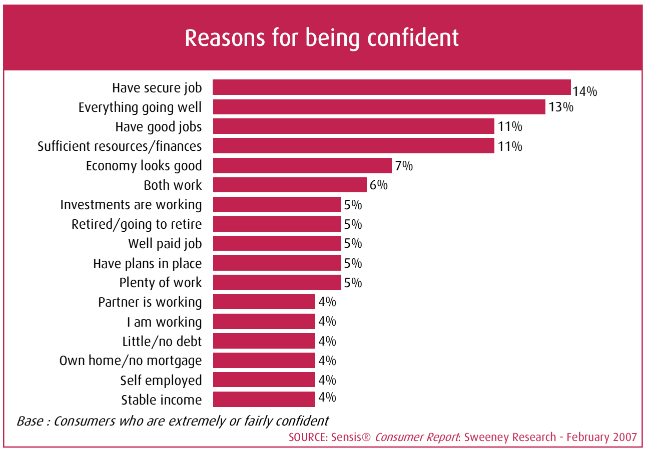
**Overall confidence by socio-economic variables**
*Net balance

| | |
|---|---|
| **Total** | **55%** |
| ***Respondent is..*** | |
| The male or female household head in a family with children | 49% |
| The male or female household head in a family without children | 64% |
| Single person living alone or sharing | 54% |
| ***Household income level..*** | |
| Up to $35,000 | 30% |
| $35,001 to $55,000 | 59% |
| $55,001 to $85,000 | 53% |
| Over $85,000 | 73% |

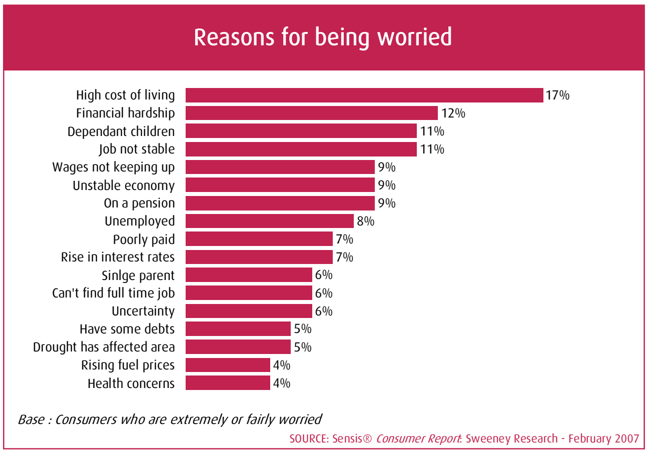
**Net Balance* defined as the proportion who are confident less the proportion who are worried.
Base : 'Householders' – family household heads or independent singles
SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

## Reasons for being confident or worried

The main reason given by Australians for feeling confident about their financial prospects for the year ahead was feeling they had a secure job, followed by everything going well in general. The main reasons Australians gave for feeling worried were feeling the cost of living was high, financial hardship, having dependent children and a lack of job security.




Having a secure job was the most important reason for those with household incomes between $35,000 and $85,000. For those households with incomes up to $35,000 the most important reason for confidence was everything going well in general, while for those households with incomes more than $85,000 having a good job was more important than having a secure job.




Having a good or a secure job were also the main reasons for confidence in Australians aged in their 30s and 40s. For those Australians aged in their 20s, having a good job was the main reason for confidence. For those Australians aged in their 50s, having sufficient financial resources was the most important reason for confidence. For those Australians aged more than 64, everything going well in general was the main reason for feeling confident.

For Australians feeling worried about their financial prospects in the coming year, the main reason was the high cost of living, nominated by 17 per cent of those who were worried. The proportion of those worried about the high cost of living has fallen by three percentage points in the past quarter. Families with children were the household structure most likely to report feeling worried as a result of the high cost of living.

The second most reported reason for feeling worried was financial hardship. This was most likely reported by those with household incomes between $55,000 and $85,000, families with children and females.

These issues were followed by having dependent children and having a job that was not stable, both nominated by 11 per cent of those worried about their financial prospects in the coming year.

While the cost of living was the top concern overall, it was not the top concern for any specific income demographic. Those with incomes up to $35,000 were most likely to be concerned as they were only on a pension. Those with an income between $35,000 and $55,000 were most likely to be concerned as they felt their wages weren't keeping up with the cost of living. Those earning between $55,000 and $85,000 were most concerned about financial hardship, whilst those with an income more than $85,000 were most concerned by lack of job security.

## Comparison to a year ago

The Sensis® *Consumer Report* this quarter found the net proportion of Australians who felt better off than a year ago unchanged. Some 28 per cent of Australians believed they were better off than a year ago, down from 30 per cent last quarter. Fifty-five per cent believed their position was about the same as a year ago, up four percentage points. The proportion that felt worse off also fell by two percentage points to 17 per cent. This resulted in a net balance of 11 percentage points in the proportion of Australians feeling better off in the past quarter.

There was again a direct relationship between household incomes and whether Australians felt better off. Those Australians on incomes more than $35,000 were more likely, on balance, to feel better off than a year ago. Those earning up to $35,000 were more likely to feel they were actually worse off than a year ago. Males were more likely than females to feel better off than a year ago (15 per cent for males compared to six per cent for females).

Residents of the Northern Territory were most likely to feel better off on balance than a year previously. Residents of Victoria and Queensland were least likely to feel better off on balance. Australians living in metropolitan areas were more likely to feel better off, on balance, than a year ago when compared to their regional counterparts. Home owners were less likely to feel better off than a year ago when compared to those who rented their accommodation.

The main reasons Australians gave for feeling better off than a year ago related to increased earnings, in line with the past eight quarters. Other reasons, though significantly lower on the scale, were changing employment and getting a good return on investments.

Inflationary factors were high on the list of reasons Australians gave for feeling worse off than a year ago, in line with the reasons for low confidence. Increases in the cost of living topped the list for feeling worse off. Increases in mortgage payments and interest rates was the second most significant reason for feeling worse off than a year ago, and the most significant reason for feeling worse off for those with household incomes more than $85,000. The impact of mortgage interest rates as a reason for feeling worse off compared to a year ago has risen by two percentage points over the past quarter.

### Comparison to a year ago
Trends

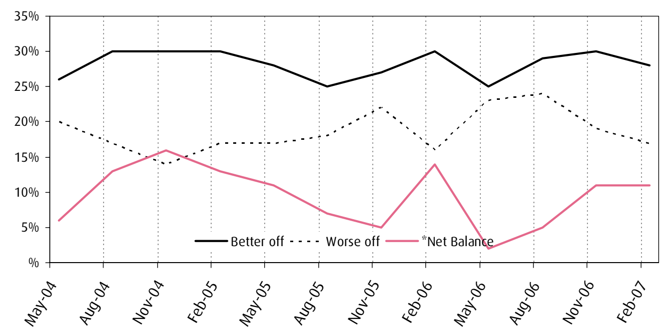
| | February 2006 | May 2006 | August 2006 | November 2006 | February 2007 |
|---|---|---|---|---|---|
| Better off | 30% | 25% | 29% | 30% | 28% |
| Same | 54% | 53% | 47% | 51% | 55% |
| Worse off | 16% | 23% | 24% | 19% | 17% |
| ***Net Balance** | **+14%** | **+2%** | **+5%** | **+11%** | **+11%** |

*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 - February 2007

### Comparison to year ago
Long term trends




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

SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

### Reasons for being better or worse off


*Q. What would you say has contributed to (your family) (you) being better/worse off?*

SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

# Household expenditure expectations

The amount Australians expect to spend on living expenditure were net positive for consumption across most of the major expenditure groups in the last quarter. The areas most Australians expected to increase spending in the next 12 months were general household expenses, transport costs and housing costs.

Overall, the category with the highest net proportion of consumers expecting to increase expenditure was general household expenses, where a net 41 per cent were expecting to increase their expenditure. However, despite having the largest proportions of consumers expecting to spend more, this result represented a decrease of ten percentage points since last quarter, and 16 percentage points in the past six months.

Two categories of expenditure saw consumers expecting to spend less on balance than last quarter - home entertainment; and dining out, fast food or home deliveries. This is the fifth successive quarter both of these expenditure categories were net negative, and the 12th consecutive quarter households nominated they expected to decrease their expenditure on dining out, fast food or home deliveries over the coming year. However, while this result was a decline of a further one percentage point from last quarter for home entertainment, it was an increase of two percentage points over the past quarter for dining out, fast food and home deliveries.

The trends in the net proportion of those expecting to increase expenditure were stable or declined in most areas. The only categories recording increases in the past quarter were telecommunications, entertainment, sport and leisure activities, items for the home and dining out, fast food and home deliveries. The highest expected increase was for telecommunications expenditure.

Families with children were again expecting to increase their levels of expenditure across the greatest range of categories. This demographic was most likely to expect to increase expenditure for general household expenses, transportation, housing and education costs, as well as being the demographic most likely to expect to increase expenditure for home renovations and personal care and grooming products.

Families without children and singles were most likely to be expecting to increase their spend on holidays and travel and items for the home. Families without children were also most likely to be expecting to increase their expenditure on health and medical expenses, telecommunications, entertainment, sport and leisure activities, home entertainment and dining out, fast food and home deliveries.

**Household expenditure expectations**
**February 2007**

| | Spend more | Spend less | No change | *Net balance |
|---|---|---|---|---|
| General household expenses - groceries and bills | 48% | 7% | 45% | **41%** |
| Transport costs – cars or public transport | 36% | 9% | 55% | **27%** |
| Housing costs such as mortgage or rent | 29% | 8% | 63% | **21%** |
| Health and medical expenses | 27% | 9% | 64% | **18%** |
| Holidays and travel | 31% | 17% | 52% | **14%** |
| Education costs | 24% | 12% | 64% | **12%** |
| Telecommunications – including mobiles & Internet | 22% | 10% | 67% | **12%** |
| Home renovations or improvements | 27% | 16% | 57% | **11%** |
| Entertainment, sport and leisure activities | 17% | 11% | 71% | **6%** |
| Personal care/grooming products | 11% | 6% | 83% | **5%** |
| Items for the home such as furniture or electricals | 24% | 23% | 53% | **1%** |
| Home entertainment | 9% | 17% | 74% | **-8%** |
| Dining out, fast food or home deliveries | 11% | 19% | 70% | **-8%** |

*Q. Over the next twelve months do you expect to spend a larger, smaller or about the same proportion of (your family) (your) income on…*
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 - February 2007

**Household expenditure expectations**
**Trends In *Net Balance**

| | Feb 2006 | May 2006 | Aug 2006 | Nov 2006 | Feb 2007 |
|---|---|---|---|---|---|
| General household expenses - groceries and bills | 38% | 46% | 57% | 51% | 41% |
| Transport costs – cars or public transport | 36% | 55% | 55% | 34% | 27% |
| Housing costs such as mortgage or rent | 13% | 24% | 29% | 29% | 21% |
| Health and medical expenses | 18% | 23% | 24% | 18% | 18% |
| Holidays and travel | 10% | 10% | 10% | 15% | 14% |
| Education costs | 14% | 10% | 13% | 12% | 12% |
| Telecommunications – including mobiles & Internet | 11% | 11% | 15% | 9% | 12% |
| Home renovations or improvements | 11% | 12% | 8% | 12% | 11% |
| Entertainment, sport and leisure activities | 9% | 5% | 8% | 5% | 6% |
| Personal care/grooming products | N/A | N/A | N/A | 5% | 5% |
| Items for the home such as furniture or electricals | -1% | -2% | -1% | 0% | 1% |
| Home entertainment | -6% | -6% | -6% | -7% | -8% |
| Dining out, fast food or home deliveries | -11% | -12% | -6% | -10% | -8% |

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 - February 2007

**Household expenditure expectations**
**By family status**

| **Net balance for..* | Total | Families with children | Families no children | Singles |
|---|---|---|---|---|
| General household expenses - groceries and bills | 41% | 51% | 37% | 32% |
| Transport costs – cars or public transport | 27% | 31% | 24% | 23% |
| Housing costs such as mortgage or rent | 21% | 27% | 19% | 17% |
| Health and medical expenses | 18% | 18% | 21% | 12% |
| Holidays and travel | 14% | 7% | 18% | 18% |
| Education costs | 12% | 23% | 4% | 5% |
| Telecommunications – including mobiles & Internet | 12% | 9% | 16% | 11% |
| Home renovations or improvements | 11% | 16% | 10% | 6% |
| Entertainment, sport and leisure activities | 6% | 6% | 8% | 4% |
| Personal care/grooming products | 5% | 6% | 5% | 1% |
| Items for the home such as furniture or electricals | 1% | 0% | 3% | 3% |
| Home entertainment | -8% | -11% | -6% | -7% |
| Dining out, fast food or home deliveries | -8% | -19% | -1% | -2% |

**Net Balance* defined as the proportion who will spend more less the proportion who will spend less
SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

## Cutting or increasing expenditure

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

The area of expenditure most likely to be cut by consumers was again money spent on entertainment and going out, with 21 per cent of consumers nominating this as their first means to decrease expenditure (up from 17 per cent in the past quarter). While entertainment expenses were the most popular response in all states and territories, residents of the Australian Capital Territory were most likely to nominate cutting expenditure on entertainment and going out if necessary.

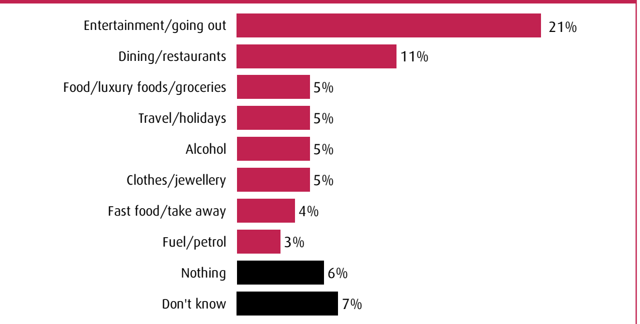
Dining out at restaurants was the next most likely item to be cut by consumers, with 11 per cent nominating this as the first item to cut back if necessary (unchanged over the past quarter). Restaurants in Victoria, South Australia and the Australian Capital Territory were most likely to be affected by cuts in consumer expenditure. In addition, those restaurants catering to the upper end of the market were most likely to feel the effects of a downturn, with those earning more than $85,000 again most likely to nominate dining out as the first expense they would cut.

Australians were most likely to try to increase their savings if they had some additional income, with 27 per cent nominating savings, up from 25 per cent last quarter. Males were more likely to nominate they would save money than females (31 per cent compared to 23 per cent). Those Australians with incomes between $55,000 and $85,000 were most likely to nominate they would save money (31 per cent).

Next in line of things Australians would do with additional income was have a holiday or put it towards their mortgage, with both responses nominated by 13 per cent of Australians. Females were more likely than males to nominate a holiday (16 per cent compared to 11 per cent), as were residents of the Australian Capital Territory (18 per cent).

Males were slightly more likely to nominate they would put the money towards their mortgage than females (14 per cent compared to 12 per cent). Their was a direct relationship between income and likeliness of putting additional income towards a mortgage, with only seven per cent of those with incomes up to $35,000 providing this response, compared to 19 per cent of those with incomes more than $85,000.

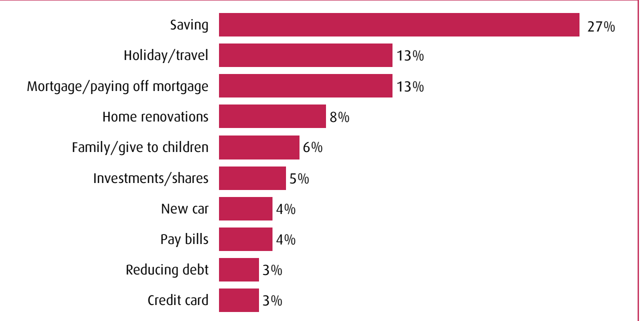
**What would be cut out to reduce expenditure?**




*Q. If you needed to cut expenditure on discretionary items for some reason, what is the first item you cut expenditure on?*

SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

**What would additional income be spent on?**




*Q. If you received additional income or money for some reason, what is the first thing that you would spend that money on, including savings?*

SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

# Perception of the state of Australia's economy

With two quarters of improvement in consumer confidence, the March 2007 Sensis® *Consumer Report* found the net proportion of consumers that felt Australia was currently in a period of economic growth grew strongly over the past quarter. Forty-three per cent of consumers (a rise of seven percentage points) felt the economy was currently growing, compared to 17 per cent felt the economy was currently slowing down (a fall of 10 percentage points, and 35 per cent felt it was standing still. This resulted in a net balance of 26 per cent of consumers who felt the economy was currently in a growth phase. This net result represented a very strong increase of 17 percentage points since last quarter.

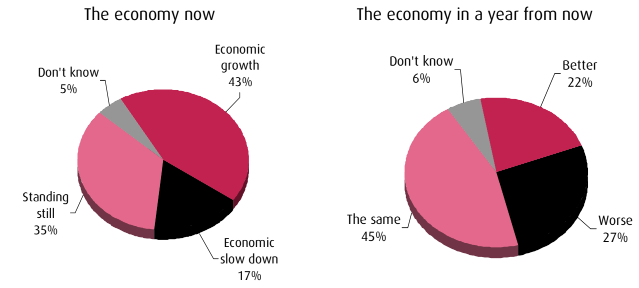
There was a very large degree of variability across the states and territories, with results ranging from 43 per cent to 13 per cent. Residents of Western Australia again held the highest perceptions of the current state of the economy, with the second highest net result being recorded in the Australian Capital Territory. Tasmanian consumers held the lowest perceptions. Net perception of the economy remained positive in all states and territories this quarter.

When asked how the economy would be performing a year from now, 22 per cent of consumers felt it would be better than the current situation, an increase of three per cent in the past quarter. This compared to the 27 per cent of consumers that felt the economy would be worse in a year's time. The most likely response was the economy would be the same in a year's time as it is now (45 per cent, up from 40 per cent in the previous quarter). This resulted in a net improvement of 12 percentage points in future expectations for the economy.

Those living in regional Australia, compared to those in metropolitan areas, continued with negative views of the future direction of the Australian economy. The most optimistic views were in the Northern Territory, with the most pessimistic in Queensland. This quarter residents of the Northern Territory and Western Australia both held net positive views about the future directions of the economy a year from now.

When the same question was asked of business proprietors in the February 2007 Sensis® *Business Index*, business proprietors reported more optimistic views than consumers. A net balance of 32 per cent of business proprietors felt the economy was currently in a growth phase, compared to the net balance of 26 per cent of consumers who felt the economy was in a growth phase. When looking at expectations a year from now, a net positive 13 per cent of business proprietors reported believing the economy would be better, compared to a net negative five per cent of consumers.

**Perceptions of the state of the economy**
**February 2007**




*Q. Thinking about Australia's economy, do you think we are in a period of economic growth, economic slow down, or more or less standing still?*

*Q. And still thinking about the nation's economy overall. In a year from now do you think the nation's economy will be better, worse or about the same?*

SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

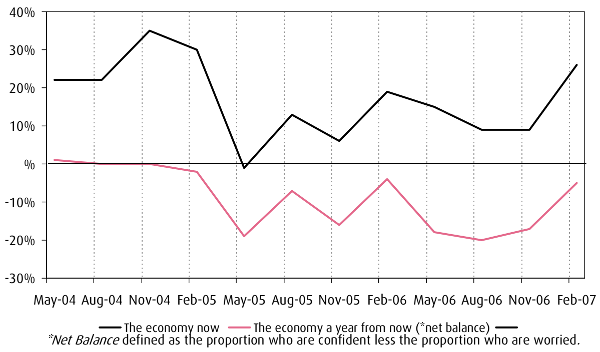
**Perceptions of the state of the economy**
**Trends**

| | February 2006 | May 2006 | August 2006 | November 2006 | November 2006 |
|---|---|---|---|---|---|
| *The economy now* | | | | | |
| Growth | 38% | 39% | 37% | 36% | 43% |
| Slowing | 19% | 24% | 28% | 27% | 17% |
| *Net balance | +19% | +15% | +9% | +9% | +26% |
| *The economy a year from now* | | | | | |
| Better | 23% | 19% | 16% | 19% | 22% |
| Worse | 27% | 37% | 36% | 36% | 27% |
| *Net Balance | -4% | -18% | -20% | -17% | -5% |

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

SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

**Perceptions of the state of the economy**
**Long term trends in net balance**




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

SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

**Perceptions of the state of the economy**
**Comparison with business – February 2007**

| | Consumers [1] | Business [2] |
|---|---|---|
| *The economy now* | | |
| Growth | 43% | 48% |
| Slowing | 17% | 16% |
| *Net balance | +26% | +32% |
| *The economy a year from now* | | |
| Better | 22% | 27% |
| Worse | 27% | 14% |
| *Net balance | -5% | +13% |

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

SOURCE: [1] Sensis® *Consumer Report: Sweeney Research - February 2007*
[2] Sensis® *Business Index: Sweeney Research - February 2007*

# Section 2 : Our concerns

## Prime concerns

The March 2007 Sensis® *Consumer Report* found Australians remained most concerned about the drought, followed by the environment and the health system. The conflict in Iraq was the concern that increased the most over the past quarter. The issue to fall most in the past quarter was terrorism.

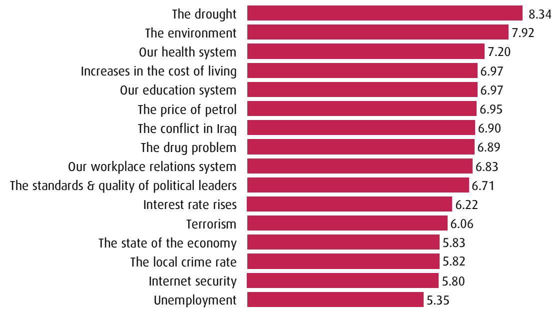
When asked to rank topical issues on a scale of one, representing no concern at all over the issue, to 10, representing a high level of concern, the drought scored an average score of 8.34. Despite rating higher than any other issue this quarter, the overall level of concern has fallen back by 0.13 since last quarter. While the drought was the number one concern across all income groups, the highest levels of concern came from the lowest income bracket (up to $35,000). It was also the top concern in all states and territories with the exception of Western Australia, Tasmania and the Northern Territory. Residents of the Australian Capital Territory were most likely to report concern for the drought (average level of 8.63), with those in Western Australia reporting the lowest level of concern on this issue (average level of 7.79).

The second highest concern for Australians was the environment, which was ranked at 7.92. While the level of concern for the drought has actually decreased over the past quarter, the level of concern for the environment has increased by 0.15. Residents of the Australian Capital Territory were the most likely concerned for the environment (8.29) with the environment being the issue of most concern overall in Western Australia and the Northern Territory.

The health system was the third highest concern for Australians, ranking an average level of 7.20, a decrease of 0.05 since last quarter. Residents of Tasmania were most likely to express concern for the health system this quarter (8.04), making the health system their top concern overall. Residents of Victoria reported the lowest levels of concern for the health system (6.83).

Concerns for the conflict in Iraq rose more than any issue in the past quarter. The conflict in Iraq was of most concern to those with incomes up to $35,000 and residents of Victoria. Terrorism recorded the biggest fall in concern the past quarter. Terrorism was of most concern to residents of New South Wales and those with incomes up to $35,000.

**Concerns**
**February 2007**




*Q. On a scale of one to 10 – where '1' means you are not concerned at all and '10' means you are very concerned – how concerned are you about...*

SOURCE: Sensis® *Consumer Report* :Sweeney Research – February 2007

**Concerns**
**Trends – last five quarters**

| | Feb 2006 | May 2006 | Aug 2006 | Nov 2006 | Feb 2007 |
|---|---|---|---|---|---|
| The drought | N/A | N/A | N/A | 8.47 | 8.34 |
| The environment | 7.41 | 7.29 | 7.18 | 7.77 | 7.92 |
| Our health system | 7.56 | 7.61 | 7.27 | 7.25 | 7.20 |
| Increases in the cost of living | 6.93 | 7.17 | 7.31 | 6.99 | 6.97 |
| Our education system | 6.89 | 7.01 | 6.73 | 6.87 | 6.97 |
| The price of petrol | 7.28 | 7.71 | 8.00 | 6.78 | 6.95 |
| The conflict in Iraq | 6.58 | 6.66 | 6.86 | 6.60 | 6.90 |
| The drug problem | 6.88 | 6.71 | 6.66 | 6.87 | 6.89 |
| Our workplace relations system | 6.78 | 7.12 | 7.01 | 6.62 | 6.83 |
| The standards & quality of political leaders | 6.77 | 6.92 | 6.55 | 6.72 | 6.71 |
| Interest rate rises | 5.85 | 6.16 | 6.35 | 6.16 | 6.22 |
| Terrorism | 6.35 | 5.95 | 6.21 | 6.29 | 6.06 |
| The state of the economy | 5.85 | 5.90 | 6.12 | 5.92 | 5.83 |
| The local crime rate | 6.06 | 5.98 | 5.76 | 5.88 | 5.82 |
| Internet security | N/A | N/A | N/A | 5.78 | 5.80 |
| Unemployment | 5.75 | 5.75 | 5.55 | 5.45 | 5.35 |

SOURCE: Sensis® *Consumer Report*: Sweeney Research – February 2007

# Concerns by demographics

Females again displayed higher levels of concern across all issues in the latest quarter. The issue with the greatest difference between the level of concern displayed by males and females was in the cost of living, followed by internet security, terrorism and the drug problem. The issue where male and female views most closely aligned was the standards and quality of political leaders.

The drought was the greatest concern this quarter across all income demographics. The greatest level of concern over the drought was displayed by those in the lowest income category (up to $35,000) and the lowest level of concern amongst those with incomes more than $85,000.

Those aged up to 19 years were more likely than any other age group to be concerned about the price of petrol. Those aged from 30 to 39 years reported the highest concern of any age group about rising interest rates and increases in the cost of living. Those aged from 40 to 49 years were more likely to be concerned about the environment, the education system, workplace relations and the state of the economy than any other age group.

Australians aged from 50 to 64 were more likely than any other age demographic to be concerned about the health system, the standard and quality of political leaders and internet security. Older Australians were more likely than any other age group to be concerned about the drought, the conflict in Iraq, the drug problem, terrorism, the local crime rate and unemployment than any other age demographic.

The drought was the number one concern for all age demographics. While levels of concern about the drought were universally high, the oldest age demographic, those Australians aged more than 64 years, displayed the highest level of concern, while those aged less than 20s displayed the lowest level of concern about the drought.

## Concerns by gender

| | Total | Male | Female | Difference |
|---|---|---|---|---|
| The standards & quality of political leaders | 6.71 | 6.66 | 6.75 | -0.09 |
| Our workplace relations system | 6.83 | 6.77 | 6.89 | -0.12 |
| Our education system | 6.97 | 6.77 | 7.16 | -0.39 |
| The drought | 8.34 | 8.09 | 8.58 | -0.49 |
| The environment | 7.92 | 7.65 | 8.19 | -0.54 |
| Our health system | 7.20 | 6.91 | 7.48 | -0.57 |
| The local crime rate | 5.82 | 5.53 | 6.11 | -0.58 |
| The state of the economy | 5.83 | 5.52 | 6.13 | -0.61 |
| Interest rate rises | 6.22 | 5.89 | 6.54 | -0.65 |
| The price of petrol | 6.95 | 6.60 | 7.27 | -0.67 |
| The conflict in Iraq | 6.90 | 6.56 | 7.24 | -0.68 |
| Unemployment | 5.35 | 4.95 | 5.73 | -0.78 |
| The drug problem | 6.89 | 6.48 | 7.29 | -0.81 |
| Terrorism | 6.06 | 5.64 | 6.45 | -0.81 |
| Internet security | 5.80 | 5.37 | 6.21 | -0.84 |
| Increases in the cost of living | 6.97 | 6.49 | 7.43 | -0.94 |

SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

## Concerns by age group

| | **Total** | Up to 19 | 20 to 29 | 30 to 39 | 40 to 49 | 50 to 64 | 65+ |
|---|---|---|---|---|---|---|---|
| The drought | **8.34** | 7.90 | 8.23 | 8.11 | 8.30 | 8.56 | 8.80 |
| The environment | **7.92** | 7.05 | 7.73 | 7.98 | 8.28 | 8.16 | 7.94 |
| Our health system | **7.20** | 6.45 | 7.34 | 7.17 | 7.26 | 7.58 | 7.03 |
| Our education system | **6.97** | 6.73 | 7.00 | 7.01 | 7.10 | 7.01 | 6.85 |
| Increases in the cost of living | **6.97** | 7.10 | 6.97 | 7.38 | 7.03 | 6.55 | 6.86 |
| The price of petrol | **6.95** | 7.17 | 7.12 | 6.84 | 6.94 | 6.76 | 6.97 |
| The conflict in Iraq | **6.90** | 5.79 | 6.48 | 6.45 | 6.57 | 7.74 | 8.01 |
| The drug problem | **6.89** | 6.33 | 6.27 | 6.42 | 7.00 | 7.27 | 7.92 |
| Our workplace relations system | **6.83** | 5.96 | 6.79 | 6.80 | 7.11 | 7.09 | 6.80 |
| The standards & quality of political leaders | **6.71** | 5.93 | 6.57 | 6.61 | 6.97 | 7.10 | 6.69 |
| Interest rate rises | **6.22** | 5.90 | 6.37 | 6.90 | 6.46 | 5.74 | 5.75 |
| Terrorism | **6.06** | 6.47 | 5.49 | 5.81 | 5.85 | 6.26 | 6.67 |
| The state of the economy | **5.83** | 5.68 | 5.49 | 6.05 | 6.13 | 5.55 | 6.02 |
| The local crime rate | **5.82** | 5.50 | 5.44 | 5.65 | 6.01 | 5.94 | 6.27 |
| Internet security | **5.80** | 5.83 | 5.21 | 5.41 | 5.93 | 6.23 | 6.21 |
| Unemployment | **5.35** | 5.67 | 5.04 | 5.01 | 5.49 | 5.31 | 5.77 |

= *Highest level of concern*
= *Lowest level of concern*

SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

# Section 3: Our workplace environment

## Perceived impact of changes to the workplace relations system

The March 2007 Sensis® *Consumer Report* continued to look at Australians views on the workplace relations system. The Sensis® *Consumer Report* has collected information on changes to the workplace relations system since August 2005, prior to their implementation, to the present, with changes now having been in place for several months.

The latest results found that, overall, 36 per cent felt proposed changes would have a negative impact on them, an increase of six percentage points in the past quarter. This compared to 11 per cent reporting there would be a positive impact, up by one percentage point in the past quarter and 49 per cent who felt the changes being debated would have no real impact either way. This resulted in an overall net negative impact of 25 per cent, which has fallen by five percentage points from net negative 20 per cent last quarter.

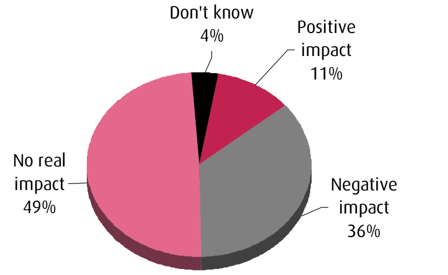
This result compares the views of business owners, with the February 2007 Sensis® *Business Index* measuring a net positive 15 per cent of business owners who felt the changes would have a positive impact. This result has risen by three percentage points over the past quarter.

The main reason given for workplace relations having a negative impact was a perception employees would have a loss of rights; employment would be less secure; employers would have all the control; and a belief income could be reduced.

Those who believed there would be a positive impact (some respondents were employers) felt the new system was more convenient and flexible; it was positive in general; good workers would be rewarded; it would be possible to negotiate a good deal; and change was necessary.

Despite most Australians reporting to have formed views on the system, the proportion that felt they understood the system was relatively low, but improving. Only 16 per cent reported they thoroughly understood how the new workplace relations system worked, a marginal decrease from 17 per cent last quarter. Some 14 per cent felt they did not understand the new system at all, down from 15 per cent last quarter. Residents in the Australian Capital Territory were the most likely to report a thorough understanding of the system, with those in South Australia least likely to report thoroughly understanding the changes. Overall, some 42 per cent of Australians reported wanting more information on how changes would impact them (up from 35 per cent last quarter), with the greatest thirst for information being in the Northern Territory (50 per cent each).

**Impact of workplace relations changes**
**February 2007**




*Q. Are you aware of the government's proposed changes to the workplace relations environment?*
*Q. Do you believe that the proposed changes will have a positive impact on you, a negative impact or no real impact either way?*

SOURCE: Sensis® *Consumer Report*. Sweeney Research - February 2007

**Impact of to workplace relations changes**
**Trends**

| | November 2005 | February 2006 | August 2006 | November 2006 | February 2007 |
|---|---|---|---|---|---|
| Positive impact | 12% | 10% | 7% | 10% | 11% |
| Negative impact | 36% | 35% | 35% | 30% | 36% |
| No real impact | 45% | 49% | 53% | 55% | 49% |
| Don't know | 7% | 6% | 5% | 5% | 4% |

*Q. Do you believe that the Government's changes will have a positive impact on you, a negative impact or no real impact either way?*

SOURCE: Sensis® *Consumer Report*. Sweeney Research - February 2007

**Reasons for positive or negative impact**


*Base : Consumers who believe the changes will have a negative or positive impact*

SOURCE: Sensis® *Consumer Report*. Sweeney Research - February 2007

# Section 4: Time management

## Expectations on how time will be spent

As well as examining where we are expecting to spend more or less money, it is also interesting to balance this with the tasks we are expecting to spend more or less of our time on over the coming year.

The area we most likely expect to increase the amount of time we spend over the next year is financial management and planning. Overall, 39 per cent of Australians expect to spend more time on financial management, compared to only five per cent that expected to spend less time. This results in a net balance 34 per cent increase (two percentage points) over the past quarter.

The income demographic with the highest net balance of people expecting to increase the time they spent on financial planning was those with incomes between $55,000 and $85,000, whilst those with incomes up to $35,000 were least likely (50 per cent compared to 15 per cent).

Using a computer was the second most likely activity we were expecting to spend more time on over the next year. Again, there was little difference on a gender basis, with those on incomes more than $85,000 most likely to expect to spend more time using their computers over the next year. Victorians were most likely to be expecting to spend more time with their computers, with those in South Australia and Tasmania least likely.

We are also becoming more health conscious, with health and medical appointments the third top activity we expect to spend more time. Females were more likely than males to expect to spend more time in health-related appointments (12 per cent compared to nine per cent for males). Those on higher incomes were less likely to expect spending more time in health-related appointments, with only eight per cent of those with incomes more than $55,000 expecting to increase this activity. Residents of the Northern Territory were least likely to expect increasing time on this activity, with those in Victoria most likely expecting more visits to the doctor.

There were only three areas Australians were currently expecting to decrease the amount of time spent – dining out, shopping for food or groceries online and shopping for items for the home.

**Time management expectations**
February 2007

| | Spend more time | Spend less time | No change | *Net balance |
|---|---|---|---|---|
| Financial management or planning | 39% | 5% | 55% | 34% |
| Using a computer | 36% | 7% | 57% | 29% |
| Health and medical appointments or services | 22% | 12% | 66% | 10% |
| Entertainment, sport and leisure activities | 23% | 14% | 63% | 9% |
| Shopping for food in supermarkets or other shops | 14% | 7% | 78% | 7% |
| Holidays and travel | 29% | 22% | 49% | 7% |
| Home renovations or improvements | 27% | 22% | 51% | 5% |
| Using a mobile phone | 18% | 14% | 68% | 4% |
| Personal care/grooming | 11% | 7% | 81% | 4% |
| Dining out | 15% | 23% | 63% | -8% |
| Shopping for food or groceries online | 4% | 15% | 81% | -11% |
| Shopping for items for the home, such as furniture | 17% | 29% | 54% | -12% |

*Q. Over the next twelve months do you expect to more time, less time or about the same proportion of (your family) (your) time on... ...*

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

SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

# Outsourcing domestic tasks

To help balance our time management, it is interesting to examine where we are outsourcing household and personal tasks.

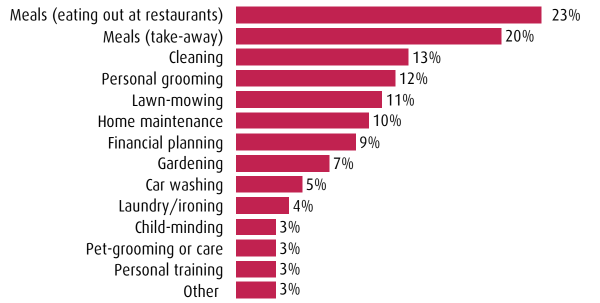
The March 2007 Sensis® Consumer Report found the preparation of meals was the most popular household task outsourced. Some 23 per cent of Australians chose to outsource at least some of their meals by eating at restaurants, with 20 per cent reporting ordering take-away meals. Males were much more likely to outsource meal preparation, with 25 per cent reporting having meals at restaurants, compared to 21 per cent of females. Males were also more likely to order take-away meals (23 per cent compared to 18 per cent of females). Both of these activities were also most likely to be outsourced by those with incomes more than $85,000. Residents of New South Wales were most likely to report eating at restaurants (32 per cent), however residents of the Australian Capital Territory were most partial to a take-away meal than any other state or territory (31 per cent).

After meals, household cleaning was the next most likely task to be outsourced, with 13 per cent of Australians overall reporting outsourcing cleaning. Residents of New South Wales were most likely to report outsourcing their cleaning (15 per cent), with residents of the Australian Capital Territory least likely to outsource (seven per cent). Males were slightly more likely to report outsourcing cleaning than females (14 per cent compared to 12 per cent). Those who worked full-time were most likely to report outsourcing their cleaning (15 per cent).

Personal grooming was the next most outsourced task, with 12 per cent of Australians outsourcing some form of personal grooming. Females were slightly more likely than males to outsource personal grooming (13 per cent compared to 11 per cent). There was also a direct relationship between the income and personal grooming outsourcing, with 15 per cent of those with incomes more than $85,000 outsourcing personal grooming, compared to nine per cent of those with incomes less than $35,000. Tasmanians were more likely than anyone else to be found in the day-spa, with some 16 per cent reporting outsourcing personal grooming, compared to only five per cent of Queenslanders.

Some 52 per cent of households reported not outsourcing any household tasks, up from 49 per cent last quarter.

Outsourcing of household tasks




*Q. Which household tasks do you outsource?*

SOURCE: Sensis® Consumer Report: Sweeney Research - February 2007

# Section 5 : Business ownership

## Current business ownership

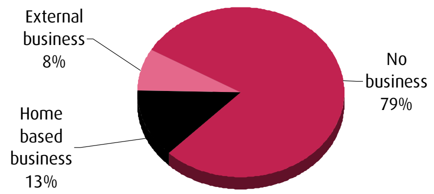
The level of business ownership in the Australian community remained solid in the March 2007 Sensis® *Consumer Report*. Overall, some 21 per cent of households reported having a household member who owned a business, down two percentage points from last quarter.

The state with the highest level of business ownership this quarter was South Australia, where 27 per cent of households reported business ownership. The lowest levels of business ownership were in the Australian Capital Territory, where only 16 per cent of households reported business ownership.

Overall, 13 per cent of households reported having a home-based business operating in their household, and eight per cent reported having an external business owned by a household member.

Some 12 per cent of Australian households reported they were interested in starting a business in the next 12 months, with residents of the Australian Capital Territory most likely to be interested in starting a new business.

**Incidence of business ownership**




*Q. Do you, or anyone else in your household currently own a business?*
*Q. Is that business a home-based business or does it operate from separate business premises?*
SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

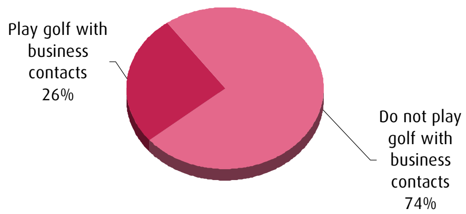
## Is golf good business?

The March 2007 Sensis® *Consumer Report* found 17 per cent of the Australian population reported they played golf, with New South Wales being the most golf-intensive state, with a participation rate of some 22 per cent.

Of those that played golf, almost one-quarter reported they played golf with their business contacts (26 per cent). With a booming economy in Western Australia, residents of the state were most likely to report having a game of golf with their business contacts (38 per cent of golfers), with golfers in Tasmania least likely to mix pleasure with business (only 13 per cent of golfers played with business contacts).

When looking at the value of business actually done on the golf course some 41 per cent reported they had not actually transacted any business as a result of golf-related networking. However, of those that had done business, reported values were quite large, with some 14 per cent of business-networking golfers reporting a business value of more than $500,000 done on the course. Queensland was the home of high-value golf, with around half of those actually transacting business with their golfing contacts reporting values of more than $500,000.

**Incidence of playing golf with business contacts**




*Q. Do you play golf with business contacts?*
*Base – plays golf (17 per cent)*
SOURCE: Sensis® *Consumer Report*: Sweeney Research - February 2007

## How to obtain a copy of the Sensis® C*onsumer Report*

Visit www.about.sensis.com.au

The March 2007 Sensis® *Consumer Report* can be accessed on the Sensis internet site at www.about.sensis.com.au from 14 March 2007.

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