

## **UNDER EMBARGO: FOR RELEASE TO PUBLIC ON TUESDAY 6 SEPTEMBER 2011**

NOTE: These are ACT for the Sensis® *Business Index*. Please see separate release for national results. The quarterly survey began in 1993 and provides the latest snapshot of small and medium (1-199 employees) business activity in Australia. It is based on a sample size of 1,800 businesses from metropolitan and regional areas, interviewed between 29 July and 26 August 2011.

### **ACT businesses shaken but not stirred**

Weak demand and global economic conditions have shaken business confidence in the ACT, according to the Sensis® *Business Index* released today.

Report author Ms Christena Singh said business confidence in the ACT fell strongly during the quarter.

“ACT has recorded the nation’s largest fall in business confidence this quarter. However, this is from a high base, as the ACT has outperformed the nation for most of the last 12 months, and business confidence remains above the national average,” Ms Singh said.

Overall, half of ACT small businesses are confident about their prospects for the next 12 months, while four in 10 are worried. The key reason small businesses in the ACT are worried is that people are not spending, closely followed by concern about global economic conditions.

“Trading conditions in the ACT have declined during the quarter, with both profitability and sales falling. However, overall employment by ACT small businesses remained positive and they are expecting profitability and sales to improve this coming quarter.

“ACT small businesses are also the nation’s least likely to be considering selling their business or closing up shop,” she explained.

The report shows seven per cent of ACT small businesses are considering closing or selling their business, compared to 17 per cent for the national average.

“ACT small businesses are resilient and very nimble, with many taking proactive measures to counteract the changing conditions experienced during the last six months and to make the most of new opportunities that arise,” she noted.

According to the report, half of ACT small businesses are planning to introduce new products and services during the financial year, the highest level in the nation. Thirty-nine per cent are looking to increase their digital presence, while 36 per cent plan to increase advertising activities and 26 per cent plan to increase social media activities.

**Key ACT findings from the September 2011 Sensis® *Business Index*:**

- Business confidence fell from 47 to 18 per cent
- Profitability declined amongst the small business sector, with the indicator down from negative 12 per cent to negative 20 per cent
- The sales indicator fell, down 13 percentage points to negative 19 per cent
- Overall employment by ACT small businesses rose, taking the indicator up from zero to positive six per cent
- Support for the ACT Government's policies fell four percentage points during the quarter, taking the indicator to negative 18 per cent.

**ACT business plans for the Financial Year:**

Introduce new products and services	50%
Increase advertising activities	36%
Increase digital presence	39%
Introduce/increase social media activities	26%
Refinance business	8%
Sell or close business	7%
Start a new business	4%
Hire more staff	31%
Decrease staff	8%
Develop business plan	46%
Undertake financial planning	31%
Increase sales force/activities	32%
Seek professional assistance to grow business	21%
Take on a business partner	5%
Personally work less in the business	25%
Personally work more in the business	40%
Appoint senior staff to help run the business	21%

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For interviews with the report author or for further information contact:

De-Arne Carr on 03 9397 5677 or 0419 585 711

The Sensis® *Business Index* is available now by contacting the above or can be downloaded from [www.about.sensis.com.au/resources](http://www.about.sensis.com.au/resources) from 9am Tuesday 6 September 2011.