

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

NOTE: These are Queensland 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.

### **Tough times continue for Queensland small businesses**

Trading conditions continued to deteriorate for small businesses in Queensland during the quarter, according to the Sensis® *Business Index*.

Report author Ms Christena Singh said profitability, sales, employment and capital expenditure weakened during the quarter.

“The key performance indicators for Queensland small businesses are strongly negative and businesses are expecting worse to come during the following quarter,” Ms Singh explained.

In line with continued weak conditions, business confidence in Queensland plummeted during the quarter.

“Business confidence in Queensland is the second weakest in the nation, only higher than that in South Australia,” she explained.

The key reason small businesses in Queensland are worried is that people are not spending, closely followed by a decrease in business.

“However, Queensland 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, 37 per cent of Queensland small businesses are planning to introduce new products and services during the financial year, 36 per cent are looking to increase their digital presence, while 27 per cent plan to increase advertising activities and 29 per cent to increase social media activities.

The report also indicates 18 per cent of Queensland small businesses are considering closing or selling their business, slightly higher than the 17 per cent for the national average.

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

- Business confidence fell from 24 to 5 per cent
- Profitability deteriorated amongst the small business sector, with the indicator down from negative 29 per cent to negative 31 per cent
- The sales indicator fell further, down nine percentage points to negative 29 per cent
- Overall employment by Queensland small businesses contracted, down three percentage point during the quarter, taking the indicator to negative four per cent
- Support for the Queensland Government's policies fell two percentage points during the quarter, taking the indicator to negative 35 per cent.

### **Queensland business plans for the Financial Year:**

Introduce new products and services	37%
Increase advertising activities	27%
Increase digital presence	36%
Introduce/increase social media activities	29%
Refinance business	8%
Sell or close business	18%
Start a new business	4%
Hire more staff	17%
Decrease staff	8%
Develop business plan	27%
Undertake financial planning	24%
Increase sales force/activities	29%
Seek professional assistance to grow business	16%
Take on a business partner	5%
Personally work less in the business	19%
Personally work more in the business	33%
Appoint senior staff to help run the business	13%

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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.