

Introduction

The *Yellow Pages*® Small Business Index™ is an ongoing series of surveys designed to track confidence and behaviour in the small business sector.

The primary objectives of the Index are to track small business activity over the past three months; expectations over both the next three and 12 months; and to measure overall confidence within the small business community. A second purpose is to provide an independent, objective assessment of proprietors' experience and attitudes on key issues.

The Index is an initiative of Yellow Pages Australia as part of its commitment to this vital business sector and is conducted by the research firm Brian Sweeney and Associates. Economic advice is provided by economic consultants, Marsden Jacob Associates. Dr. John Marsden is the former chief economist of Capel Court, National Mutual Royal Bank and the Australian Bankers Association.

About the Survey

The Index is the largest economic survey of small business in Australia and focuses specifically on businesses employing 19 people or fewer.

The Index uses a panel of at least 1,200 randomly selected small business proprietors who are interviewed by telephone every three months.

The panel was drawn from all metropolitan and non-metropolitan regions of Australia. Quotas are set on geographical location and type of business to produce the standard sample structure shown opposite. Where replacement panellists are recruited, this sample structure is maintained.

Because this is a quota sample, at the analysis stage results are weighted by selected ANZSIC divisions within the metro and non-metro region of each state or territory to reflect the actual small business population distribution. The ABS Business Register as at June 1995 is used to weight the sample to be representative of the total business population.

Interviewing for this latest (May 1997) survey was conducted over the period 28th April to 9th May 1997. The report covers the experience over the past three months (February, March and April) and expectations for both the current quarter (May, June, July) and the 12 months ending May, 1998.

Location of Business

	TOTAL	METRO	NON-METRO
NSW	200	160	40
VIC	200	160	40
QLD	200	110	90
SA	150	130	20
WA	150	130	20
TAS	100	60	40
NT	100	60	40
ACT	100	100	---
TOTAL	1200	910	290

Division

MANUFACTURING	215
BUILDING/CONSTRUCTION	215
WHOLESALE/RETAIL	215
TRANSPORT/STORAGE	125
FINANCE/PROPERTY/BUSINESS SERVICES	215
RECREATION/PERSONAL & OTHER SERVICES	215
TOTAL SAMPLE	1200

Small Business Outlook - National Summary

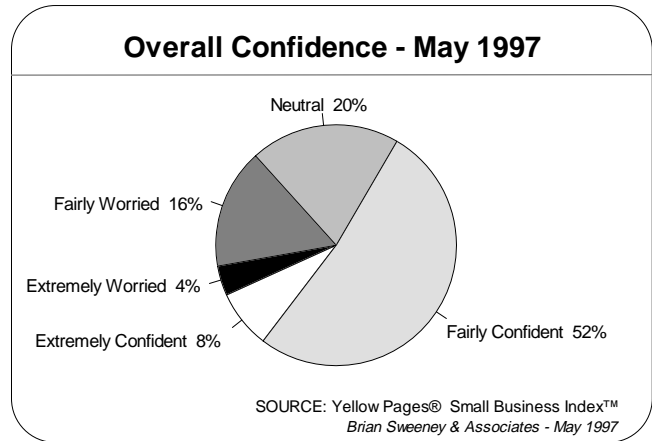
CONFIDENCE IN PROSPECTS OVER THE NEXT 12 MONTHS

Small business confidence remains low, falling marginally since the previous survey three months ago. A net 40% of proprietors expressed confidence in their own business prospects, the lowest level since August 1993.

The weakening of confidence over the past three months was recorded in all states and territories other than South Australia, Victoria and the Northern Territory. Of these three, only South Australian proprietors recorded a rise in their own business confidence.

Small business confidence is highest in South Australia, Western Australia and the Northern Territory and lowest in the ACT and Tasmania.

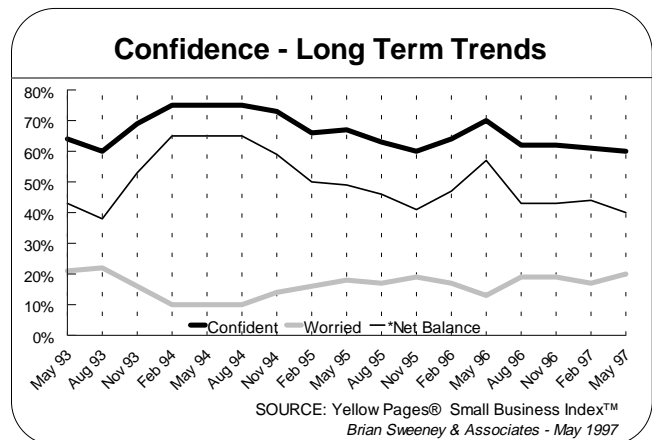
Across the sectors, small business confidence rose in transport/storage, personal services and building/construction. Manufacturing recorded the largest fall in small business confidence.



Confidence Trends - Past Five Quarters

	May 96	Aug 96	Nov 96	Feb 97	May 97
Extremely Confident	13%	10%	9%	7%	8%
Fairly Confident	57%	52%	53%	54%	52%
Neutral	17%	19%	19%	22%	20%
Fairly Worried	10%	16%	16%	14%	16%
Extremely Worried	3%	3%	3%	3%	4%
Total Confident	70%	62%	62%	61%	60%
Total Worried	13%	19%	19%	17%	20%
*NET BALANCE	+57%	+43%	+43%	+44%	+40%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - May 1997



Trends By State *Net Balance

	May 96	Aug 96	Nov 96	Feb 97	May 97
NATIONAL	57%	43%	43%	44%	40%
NSW	56%	43%	43%	47%	43%
VIC	58%	48%	47%	40%	39%
QLD	50%	32%	31%	38%	28%
SA	59%	53%	48%	48%	57%
WA	75%	54%	60%	58%	51%
TAS	43%	29%	35%	28%	24%
NT	73%	63%	78%	51%	51%
ACT	36%	17%	40%	35%	6%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - May 1997

Trends By Sector *Net Balance

	May 96	Aug 96	Nov 96	Feb 97	May 97
All Businesses	57%	43%	43%	44%	40%
Manufacturing	42%	38%	37%	49%	34%
Building/Construction	49%	40%	40%	33%	37%
Wholesale/Retail	52%	25%	35%	33%	24%
Transport/Storage	51%	30%	28%	34%	48%
Business Services	70%	63%	54%	60%	49%
Personal Services	58%	51%	49%	48%	53%



*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

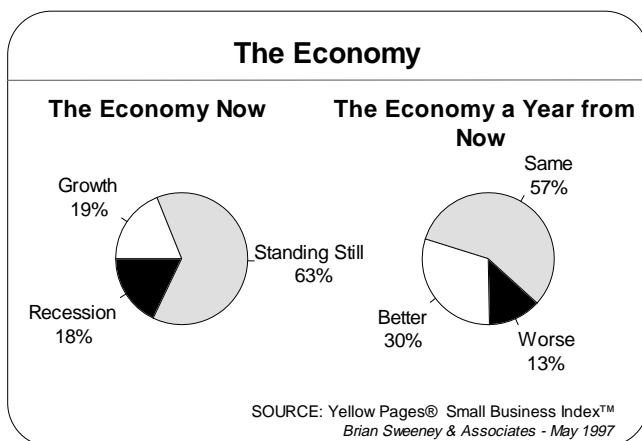
ECONOMIC OUTLOOK

Small business perceptions of the economy continue to be strongly negative, with more than 80% of proprietors surveyed in May seeing the economy in recession or at a standstill.

With the exception of the euphoria immediately following the March 1996 Federal election, this strongly adverse view of the economy has continued unchanged since mid 1995.

Across the states and territories, Victorian small businesses are the most positive in their assessment of the current economy.

Expectations for a better economy in 12 months are positive but again, weaker. All states and territories other than Victoria and Tasmania reported reduced expectations for the economy in 12 months time.



Perceptions of the Economy - Trends

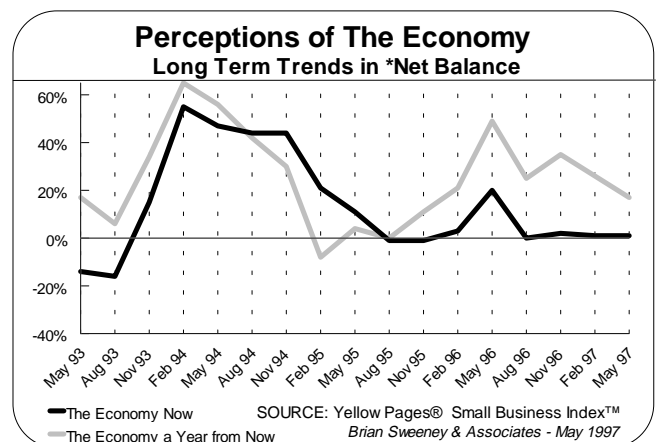
	May 96	Aug 96	Nov 96	Feb 97	May 97
THE ECONOMY NOW					
Growth	28%	17%	20%	17%	19%
Recession	8%	17%	18%	16%	18%
*Net Balance	20%	0%	2%	1%	1%
THE ECONOMY A YEAR FROM NOW					
Better	55%	39%	46%	38%	30%
Worse	6%	14%	11%	12%	13%
*Net Balance	49%	25%	35%	26%	17%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - May 1997

Perceptions of the Economy by State

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
THE ECONOMY NOW								
Growth	19%	26%	12%	12%	19%	14%	15%	8%
Recession	20%	11%	26%	11%	16%	28%	12%	37%
*Net Balance	-1%	15%	-14%	1%	3%	-14%	3%	-29%
THE ECONOMY A YEAR FROM NOW								
Better	34%	31%	26%	24%	23%	21%	26%	28%
Worse	13%	11%	17%	6%	18%	10%	17%	24%
*Net Balance	21%	20%	9%	18%	5%	11%	9%	4%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - May 1997



*Net balance is defined as the difference between the percentage with a positive outlook and the percentage with a negative outlook.

EXPECTATIONS ON KEY INDICATORS OVER THE NEXT 12 MONTHS

Expectations on most key indicators for the next 12 months weakened in May. In particular, expected sales growth slowed markedly to the low levels expected by businesses in 1995.

Apart from the wages outlook, and to a lesser extent capital expenditure, the outlook for the key indicators is little changed in recent quarters from those recorded before the March 1996 election.

Wages growth is expected to abate in the coming year particularly in wholesale/retail and transport/storage.

Expectations On Key Indicators Over The Next 12 Months - May 1997

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	63%	10%	53%
Size of workforce	24%	4%	20%
Wages bill	37%	5%	32%
Prices charged	45%	4%	41%
Profitability	61%	11%	50%
Capital expenditure	33%	20%	13%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - May 1997

Expectations On Key Indicators Over Next 12 Months - Trends in *Net Balance

	Feb 96	May 96	Aug 96	Nov 96	Feb 97	May 97
Value of sales	58%	66%	57%	58%	61%	53%
Size of workforce	22%	24%	19%	23%	21%	20%
Wages bill	40%	39%	35%	38%	36%	32%
Prices charged	28%	45%	38%	41%	40%	41%
Profitability	52%	61%	53%	50%	54%	50%
Capital expenditure	11%	15%	16%	18%	16%	13%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - May 1997

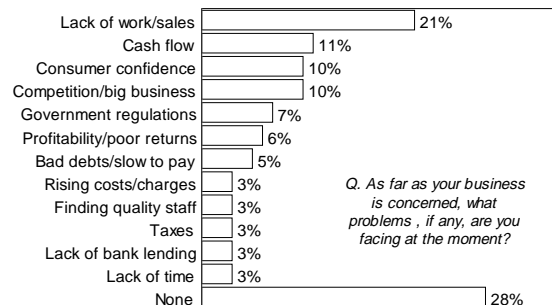
CONCERNS

Concerns over problems facing small business eased slightly between February and May, with reduced numbers concerned over lack of work/sales, cash flow and rising costs.

Nonetheless, more than one in five small businesses remains concerned over lack of work/sales and there is increased concern over consumer confidence, competition from big business and lack of profitability.

Consistent with the Prime Minister's recent policy statement and media attention there is heightened awareness and concern over regulatory burden.

Prime Concerns May 1997



Q. As far as your business is concerned, what problems, if any, are you facing at the moment?

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - May 1997



*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

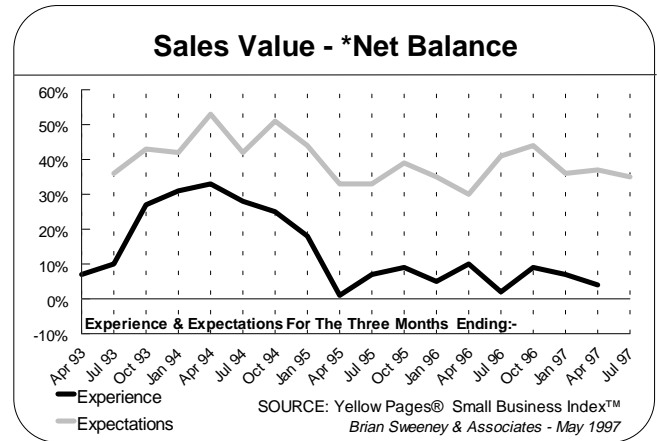
SALES

Nationally, sales growth over the past three months eased slightly compared with the previous quarter. This relative stability disguises substantial variation in sales growth at the state, territory and sector levels.

Sales growth was strongest in Victoria and South Australia and weakest in Tasmania, ACT and Queensland. In each of these three the number of businesses reporting sales falls exceeded those reporting rises.

Across the sectors, small business sales growth was strongest in transport/storage but was negative in manufacturing.

Expectations for sales growth in the current quarter (May-July) are stable nationally. Sales expectations are particularly poor in Tasmania and strongest in the Northern Territory. Expectations are stronger than the previous quarter in NSW and Northern Territory. Expectations have slumped in manufacturing.

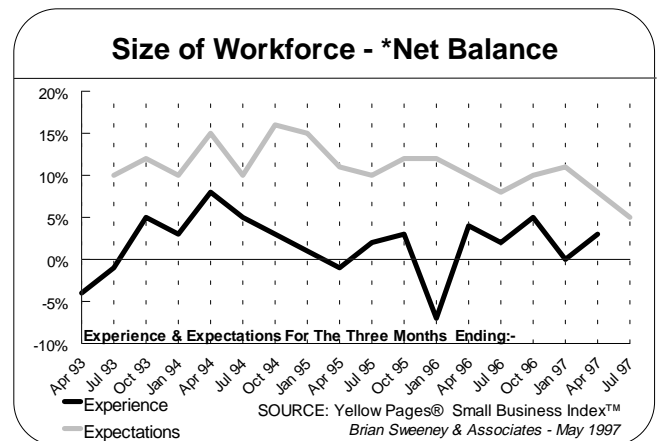


EMPLOYMENT

Employment growth in small businesses firmed slightly in the three months to end April, with strongest increases recorded in Victoria.

The number of firms reporting employment falls exceeded the number reporting increases in Queensland, Tasmania and particularly in the Northern Territory.

Nationally, expected growth in the current three months is positive but weaker. Employment expectations are strongest in building/construction and business services.



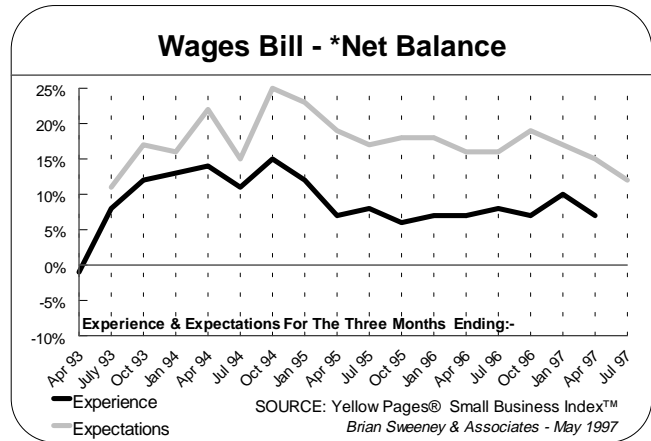
*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.



WAGES BILL

Growth in wages bills eased marginally in the three months ending April. Reported growth in wages bills was strongest in Victoria and New South Wales and weakest in the Northern Territory, Queensland and Tasmania where the number reporting lower wage bills exceeded the number reporting higher wage bills.

Expectation for growth in wages bills is lower than the previous survey, particularly in wholesale/retail.



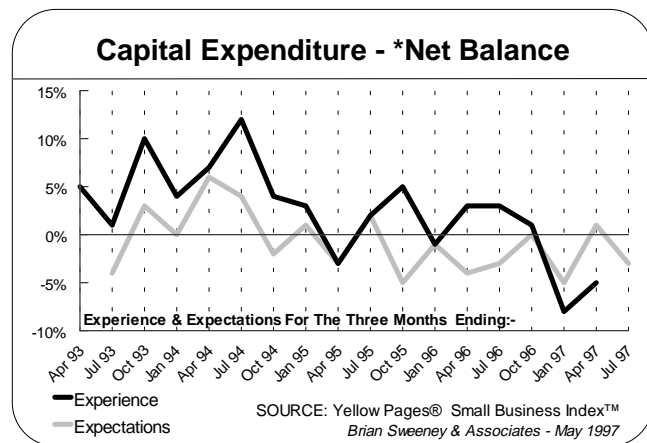
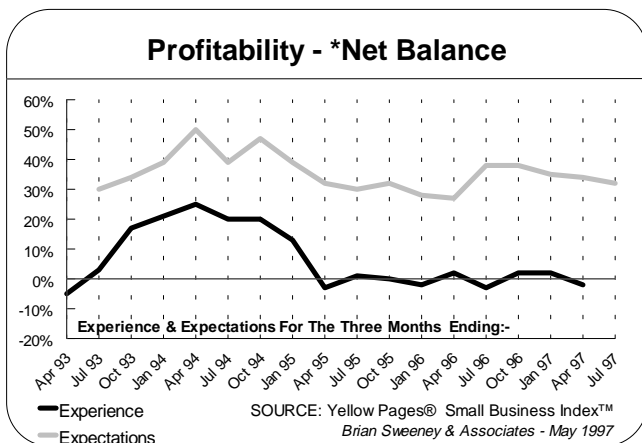
PROFITABILITY & CAPITAL EXPENDITURE

Profit growth eased in the three months ending April with increases outnumbered by decreases in profit. Expected profit growth is stable.

Capital expenditure by small businesses remained depressed with falls outnumbering increases for the second successive quarter. This is the first time since the survey commenced that falls have outnumbered increases for two successive quarters.

While expected capital expenditure growth weakened nationally, there are wide swings in different states and territories. Expected capital expenditure growth weakened in New South Wales, Victoria, Tasmania and the ACT. In the Northern Territory expectations rebounded strongly.

Across the sectors, expected capital expenditure growth firmed in manufacturing and business services but weakened significantly in wholesale/retail, personal services and transport/storage.



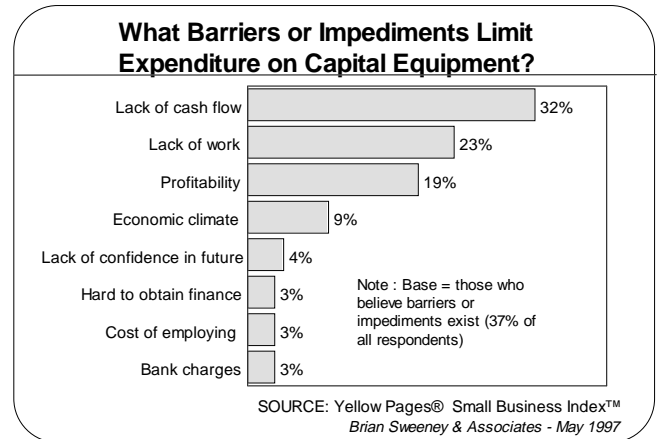
*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

BARRIERS TO INVESTMENT EXPENDITURE

Over one-third of proprietors (37%) see barriers or impediments which limit their future capital expenditure, especially those in manufacturing and wholesale/retail. Moreover, barriers are more likely to be perceived where a woman plays the leading role in the firm.

Firms aspiring to significant growth are more likely to see impediments than firms with more modest aspirations.

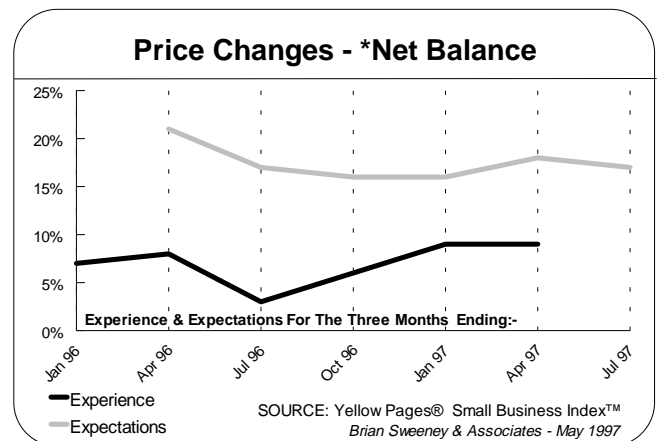
The dominant barriers to investment expenditure are lack of cash flow, lack of work, poor profitability and the economic climate.



PRICES

The number of proprietors reporting increased prices is unchanged over the previous three months.

Price rise expectations are stable. Nonetheless, small business proprietors in New South Wales report a sharp rise in expected price growth.



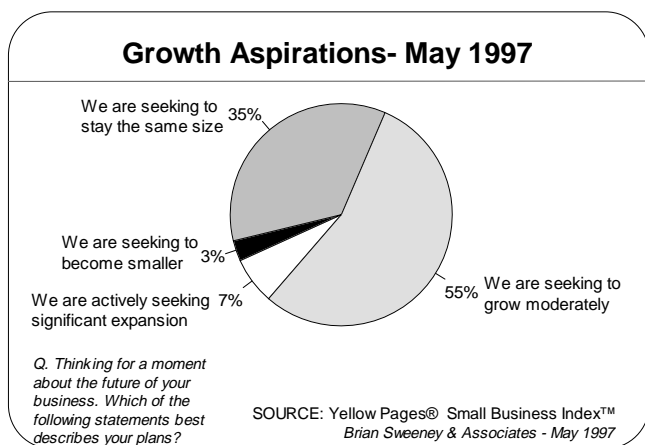
*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

GROWTH ASPIRATIONS

Nationally, some seven percent of small businesses are actively seeking significant expansion. At the other extreme, over one-third of small businesses (38%) wish to remain the same size or become smaller.

While Queensland and Western Australia are often referred to as the high growth "sunbelt states", only 54% and 57% respectively of their small businesses are seeking to grow, compared with 76% of small businesses in Victoria.

In contrast, the majority of small businesses in Tasmania and the ACT are not seeking growth.



Growth Aspirations by State

	Significant expansion	Moderate expansion	No change	Contraction
NATIONAL	7%	55%	35%	3%
NSW	9%	51%	38%	2%
VIC	5%	71%	20%	3%
QLD	6%	48%	43%	2%
SA	3%	62%	33%	2%
WA	9%	48%	40%	3%
TAS	6%	41%	51%	2%
NT	7%	57%	35%	1%
ACT	6%	43%	48%	3%

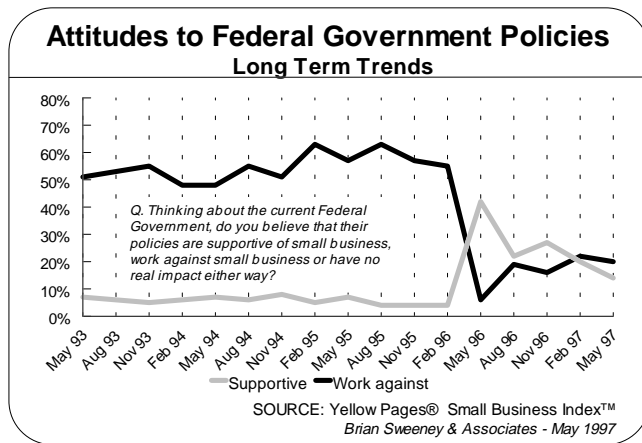
SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - May 1997

ASSESSMENT OF FEDERAL GOVERNMENT POLICIES

More small business proprietors see Federal Government policies as working against rather than for small business. A net 6% of proprietors surveyed in the two weeks before the Budget see the Howard Government policies as negative, compared with a net 2% three months ago and a net 36% positive only 12 months ago.

Only in the transport/storage sector, do proprietors see Howard Government policies as supportive in net terms.

Small businesses managed by women are more critical of the Howard Government.



Attitudes to Federal Government Policies Past Five Quarters

	May 96	Aug 96	Nov 96	Feb 97	May 97
Supportive	42%	22%	27%	20%	14%
Work against	6%	19%	16%	22%	20%
No impact	52%	59%	57%	58%	66%
**Net Balance	+36%	+3%	+11%	-2%	-6%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - May 1997

PRIME MINISTER'S RESPONSE TO BELL TASK FORCE: MORE TIME FOR BUSINESS

Respondents were asked the following question...

"In late March, the Federal Government launched a policy statement on small business. The statement, entitled 'More Time for Business', outlined a number of new initiatives. Are you aware of this statement?"

In total, 37% were aware of the statement.

Of these, more than one-third were aware that the key objective is to cut or streamline the amount of paperwork and red tape.

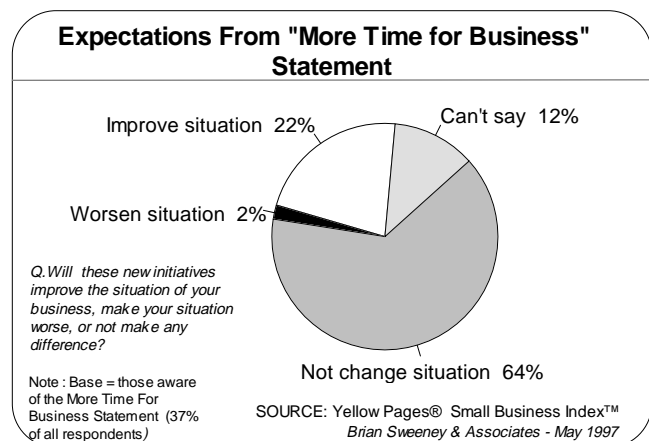
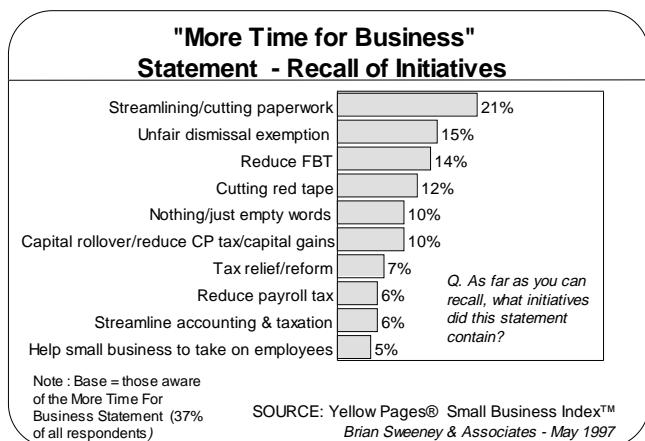
Small businesses surveyed were also reasonably aware of the exemption of small businesses from some aspects of unfair dismissal requirements and fringe benefits tax.

Of those who were aware of the "More Time for Business" statement, one in five believes the initiatives will improve the situation for small business, but almost two-thirds believe that the initiatives will make no difference. Less than 10% of sole proprietors (that is very small business) believe that the initiative will improve their situation.

Taking awareness into account, it appears that less than 10% of all small business proprietors believe that the initiatives will improve their situation.

Of those expecting the Prime Minister's policy statement to lead to an improved environment for small business, the dominant reasons mentioned were:

- less paperwork to do; and
- gives confidence for new employment/more confident about taking on new people/staff control.



Small Business Outlook - National

- Confidence low and weaker.
- Sales growth eased and expectations unchanged.
- Employment growth slightly firmer, expectations eased.
- Profitability growth negative, expectations stable.
- Capital expenditure growth negative, expectations lower.
- Negative assessment of Federal policies continues.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NATIONAL

SOURCE: Yellow Pages®
Small Business Index™

			<u>MAY 1996</u>	<u>AUG 1996</u>	<u>NOV 1995</u>	<u>FEB 1997</u>	<u>MAY 1997</u>				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		70	62	62	61	60				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		13	19	19	17	20				
	NET BALANCE		+57	+43	+43	+44	+40				
		ACTUAL EXPERIENCE DURING:						EXPECTATIONS FOR:			
		FEB-APR 1996	MAY-JUL 1996	AUG-OCT 1996	NOV-JAN 96/97	FEB-APR 1997	MAY-JUL 1996	AUG-OCT 1996	NOV-JAN 96/97	FEB-APR 1997	MAY-JUL 1997
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	39	35	39	38	35	52	53	48	50	47
	DECREASE	29	33	30	31	31	11	9	12	13	12
	NET BALANCE	+10	+2	+9	+7	+4	+41	+44	+36	+37	+35
SIZE OF WORKFORCE:	INCREASE	16	14	14	14	13	13	13	15	13	9
	DECREASE	12	12	9	14	10	5	3	4	5	4
	NET BALANCE	+4	+2	+5	0	+3	+8	+10	+11	+8	+5
WAGES BILL:	INCREASE	21	22	19	23	20	23	25	24	23	18
	DECREASE	14	14	12	13	13	7	6	7	8	6
	NET BALANCE	+7	+8	+7	+10	+7	+16	+19	+17	+15	+12
PRICES:	INCREASE	16	14	16	17	18	20	21	19	22	21
	DECREASE	8	11	10	8	9	3	5	3	4	4
	NET BALANCE	+8	+3	+6	+9	+9	+17	+16	+16	+18	+17
PROFITABILITY:	INCREASE	32	31	34	34	31	49	49	47	47	45
	DECREASE	30	34	32	32	33	11	11	12	13	13
	NET BALANCE	+2	-3	+2	+2	-2	+38	+38	+35	+34	+32
CAPITAL EXPENDITURE:	INCREASE	22	24	23	17	20	20	22	19	22	21
	DECREASE	19	21	22	25	25	23	22	24	21	24
	NET BALANCE	+3	+3	+1	-8	-5	-3	0	-5	+1	-3

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.

Small Business Outlook - NSW

- Confidence fell back.
- Sales growth little changed, expectations firmer.
- Employment growth and expectations stable.
- Profit growth again negative but expected to rebound.
- Capital expenditure continues to fall and expectations lower.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NSW

SOURCE: Yellow Pages®
Small Business Index™

			<u>MAY 1996</u>	<u>AUG 1996</u>	<u>NOV 1996</u>	<u>FEB 1997</u>	<u>MAY 1997</u>				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		69	63	63	61	62				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		13	20	20	14	19				
	NET BALANCE		+56	+43	+43	+47	+43				
		<u>ACTUAL EXPERIENCE DURING:</u>	<u>EXPECTATIONS FOR:</u>								
		FEB-APR 1996	MAY-JUL 1996	AUG-OCT 1996	NOV-JAN 96/97	FEB-APR 1997	MAY-JUL 1996	AUG-OCT 1996	NOV-JAN 96/97	FEB-APR 1997	MAY-JUL 1997
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	40	37	42	36	33	57	53	54	52	52
	DECREASE	28	33	29	33	29	10	8	10	15	10
	NET BALANCE	+12	+4	+13	+3	+4	+47	+45	+44	+37	+42
SIZE OF WORKFORCE:	INCREASE	19	16	14	17	12	14	14	17	14	12
	DECREASE	9	10	8	17	10	5	2	4	7	3
	NET BALANCE	+10	+6	+6	0	+2	+9	+12	+13	+7	+9
WAGES BILL:	INCREASE	19	25	17	23	21	27	24	24	23	17
	DECREASE	17	13	11	14	11	7	6	5	9	5
	NET BALANCE	+2	+12	+6	+9	+10	+20	+18	+19	+14	+12
PRICES:	INCREASE	16	14	20	17	19	17	22	15	18	25
	DECREASE	11	14	11	9	10	1	8	5	5	4
	NET BALANCE	+5	0	+9	+8	+9	+16	+14	+10	+13	+21
PROFITABILITY:	INCREASE	33	30	36	31	29	54	50	50	46	49
	DECREASE	27	33	32	37	31	10	9	12	17	11
	NET BALANCE	+5	-3	+4	-6	-2	+44	+41	+38	+29	+38
CAPITAL EXPENDITURE:	INCREASE	21	27	21	14	21	15	26	16	22	19
	DECREASE	18	16	25	18	23	24	21	25	14	19
	NET BALANCE	+3	+11	-4	-4	-2	-9	+5	-9	+8	0

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.

Small Business Outlook - Victoria

- Confidence stable.
- Sales growth stable, expectations down.
- Employment growth firmer, expectations down.
- Profit growth and expectations down.
- Capital expenditure growth firmer but again negative, expectations eased.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - VICTORIA

SOURCE: Yellow Pages®
Small Business Index™

			<u>MAY 1996</u>	<u>AUG 1996</u>	<u>NOV 1996</u>	<u>FEB 1997</u>	<u>MAY 1997</u>	
			%	%	%	%	%	
CONFIDENCE IN OWN BUSINESS	POSITIVE		70	63	62	60	59	
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		12	15	15	20	20	
	NET BALANCE		+58	+48	+47	+40	+39	
		ACTUAL EXPERIENCE DURING:						EXPECTATIONS FOR:
		FEB-APR	MAY-JUL	AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL	
		1996	1996	1996	96/97	1997	1997	
		%	%	%	%	%	%	
SALES VALUE:	INCREASE	42	33	38	40	39	52	
	DECREASE	26	30	25	29	26	9	
	NET BALANCE	+16	+3	+13	+11	+13	+43	
							+46	
							+36	
							+43	
							+33	
SIZE OF WORKFORCE:	INCREASE	18	12	15	13	14	10	
	DECREASE	12	12	8	13	6	4	
	NET BALANCE	+6	0	+7	0	+8	+6	
							+12	
							+16	
							+10	
WAGES BILL:	INCREASE	24	22	21	22	22	19	
	DECREASE	12	11	9	10	8	5	
	NET BALANCE	+12	+11	+12	+12	+14	+14	
							+19	
							+19	
							+20	
							+20	
							+10	
PRICES:	INCREASE	18	14	13	20	19	23	
	DECREASE	5	9	9	6	7	4	
	NET BALANCE	+13	+5	+4	+14	+12	+19	
							+17	
							+24	
							+18	
							+16	
PROFITABILITY:	INCREASE	34	30	36	42	37	53	
	DECREASE	26	32	29	28	28	11	
	NET BALANCE	+8	-2	+7	+14	+9	+42	
							+41	
							+39	
							+43	
							+34	
CAPITAL EXPENDITURE:	INCREASE	21	22	26	18	20	21	
	DECREASE	16	21	20	32	24	18	
	NET BALANCE	+5	+1	+6	-14	-4	+3	
							-5	
							-2	
							+2	
							-1	

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.

Small Business Outlook - Queensland

- Confidence fell to second lowest level since May 1993.
- Sales slump but expectations stable.
- Employment growth negative, expectations stable.
- Profits collapse, expectations lower.
- Capital expenditure fell, expectations negative but stable.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - QUEENSLAND

SOURCE: Yellow Pages®
Small Business Index™

			MAY 1996	AUG 1996	NOV 1996	FEB 1997	MAY 1997				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		67	56	55	58	54				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		17	24	24	20	26				
	NET BALANCE		+50	+32	+31	+38	+28				
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		FEB-APR	MAY-JUL	AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL	AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL
		1996	1996	1996	96/97	1997	1996	1996	96/97	1997	1997
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	35	33	36	40	33	49	54	45	48	45
	DECREASE	34	36	38	32	41	12	10	16	16	13
	NET BALANCE	+1	-3	-2	+8	-8	+37	+44	+29	+32	+32
SIZE OF WORKFORCE:	INCREASE	12	17	11	11	13	15	7	8	11	10
	DECREASE	15	14	11	10	15	8	5	6	6	4
	NET BALANCE	-3	+3	0	+1	-2	+7	+2	+2	+5	+6
WAGES BILL:	INCREASE	23	18	21	25	18	25	22	24	18	22
	DECREASE	16	21	17	14	20	9	6	10	12	7
	NET BALANCE	+7	-3	+4	+11	-2	+16	+16	+14	+6	+15
PRICES:	INCREASE	15	13	11	9	18	20	22	16	31	14
	DECREASE	9	9	9	11	11	3	5	2	5	5
	NET BALANCE	+6	+4	+2	-2	+7	+17	+17	+14	+26	+9
PROFITABILITY:	INCREASE	32	31	29	33	25	41	46	41	45	40
	DECREASE	33	38	39	33	41	12	13	17	15	15
	NET BALANCE	-1	-6	-10	0	-16	+29	+33	+24	+30	+25
CAPITAL EXPENDITURE:	INCREASE	25	23	25	20	19	24	21	19	18	20
	DECREASE	21	30	21	27	30	26	24	26	27	29
	NET BALANCE	+4	-7	+4	-7	-11	-2	-3	-7	-9	-9

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.

Small Business Outlook - WA

- Confidence lower but remains high.
- Sales growth stronger, expectations sharply down.
- Employment growth stable, expectations down.
- Profit growth now negative, expectations down sharply.
- Capital expenditure growth negative but little changed, expectations stable.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - WA

SOURCE: Yellow Pages®
Small Business Index™

		MAY 1996	AUG 1996	NOV 1996	FEB 1997	MAY 1997					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	81	68	72	70	64					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	6	14	12	12	13					
	NET BALANCE	+75	+54	+60	+58	+51					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		FEB-APR 1996	MAY-JUL 1996	AUG-OCT 1996	NOV-JAN 96/97	FEB-APR 1997	MAY-JUL 1996	AUG-OCT 1996	NOV-JAN 96/97	FEB-APR 1997	MAY-JUL 1997
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	32	36	40	35	39	52	53	45	47	35
	DECREASE	34	36	32	33	31	9	17	11	10	14
	NET BALANCE	-2	0	+8	+2	+8	+43	+36	+34	+37	+21
SIZE OF WORKFORCE:	INCREASE	14	12	21	16	12	13	15	15	16	8
	DECREASE	15	11	11	13	11	2	5	5	5	4
	NET BALANCE	-1	+1	+10	+3	+1	+11	+10	+10	+11	+4
WAGES BILL:	INCREASE	20	18	23	17	11	21	26	26	24	14
	DECREASE	10	10	13	15	11	5	4	5	9	6
	NET BALANCE	+10	+8	+10	+2	0	+16	+22	+21	+15	+8
PRICES:	INCREASE	18	14	16	22	15	19	24	25	18	20
	DECREASE	6	10	9	5	7	3	4	2	4	3
	NET BALANCE	+12	+4	+7	+17	+8	+16	+20	+23	+14	+17
PROFITABILITY:	INCREASE	24	33	40	31	33	44	48	46	43	35
	DECREASE	38	34	32	29	34	16	16	9	11	14
	NET BALANCE	-14	-1	+8	+2	-1	+28	+32	+37	+32	+21
CAPITAL EXPENDITURE:	INCREASE	20	21	15	19	19	29	20	20	18	20
	DECREASE	21	20	23	26	25	26	19	19	21	22
	NET BALANCE	-1	+1	-8	-7	-6	+3	+1	+1	-3	-2

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.

Small Business Outlook - Tasmania

- Confidence down to lowest level since May 1993.
- Sales collapsed, expectations down sharply.
- Employment fell and expected to worsen.
- Profit growth and expectations collapsed.
- Capital expenditure growth and expectations fell.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - TASMANIA

SOURCE: Yellow Pages®
Small Business Index™

		MAY 1996	AUG 1996	NOV 1996	FEB 1997	MAY 1997					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	60	52	55	49	51					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	17	23	20	21	27					
	NET BALANCE	+43	+29	+35	+28	+24					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		FEB-APR 1996 %	MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %
SALES VALUE:	INCREASE	23	37	24	33	20	44	43	45	32	31
	DECREASE	37	47	33	32	41	15	18	14	14	24
	NET BALANCE	-14	-10	-9	+1	-21	+29	+25	+31	+18	+7
SIZE OF WORKFORCE:	INCREASE	15	10	10	11	9	4	8	11	4	3
	DECREASE	7	11	7	5	12	6	7	5	9	12
	NET BALANCE	+8	-1	+3	+6	-3	-2	+1	+6	-5	-9
WAGES BILL:	INCREASE	20	19	13	19	16	14	19	20	12	15
	DECREASE	10	12	12	9	23	8	8	8	7	11
	NET BALANCE	+10	+7	+1	+10	-7	+6	+11	+12	+5	+4
PRICES:	INCREASE	13	14	17	19	18	16	22	18	19	16
	DECREASE	5	16	3	2	10	4	3	1	0	4
	NET BALANCE	+8	-2	+14	+17	+8	+12	+19	+17	+19	+12
PROFITABILITY:	INCREASE	20	30	13	29	19	37	39	46	37	29
	DECREASE	41	49	31	35	46	17	19	14	11	24
	NET BALANCE	-21	-19	-18	-6	-27	+20	+20	+32	+26	+5
CAPITAL EXPENDITURE:	INCREASE	14	18	21	17	19	22	27	24	11	17
	DECREASE	25	29	20	18	28	17	17	23	25	41
	NET BALANCE	-11	-11	+1	-1	-9	+5	+10	+1	-14	-24

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.

Small Business Outlook - NT

- Confidence unchanged.
- Sales growth stronger, expectations very sharply up.
- Employment growth negative and weaker, though expectations sharply higher.
- Profit growth stronger, expectations sharply higher.
- Capital expenditure rebounded strongly, expectations higher.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NT

SOURCE: Yellow Pages®
Small Business Index™

		MAY 1996	AUG 1996	NOV 1996	FEB 1997	MAY 1997					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	80	76	86	66	66					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	7	13	8	15	15					
	NET BALANCE	+73	+63	+78	+51	+51					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		FEB-APR 1996	MAY-JUL 1996	AUG-OCT 1996	NOV-JAN 96/97	FEB-APR 1997	MAY-JUL 1996	AUG-OCT 1996	NOV-JAN 96/97	FEB-APR 1997	MAY-JUL 1997
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	52	47	38	33	35	64	49	40	41	71
	DECREASE	18	20	26	39	33	6	15	27	15	8
	NET BALANCE	+34	+27	+12	-6	+2	+58	+34	+13	+26	+63
SIZE OF WORKFORCE:	INCREASE	17	19	7	10	17	24	23	12	15	35
	DECREASE	10	7	33	29	40	7	9	12	12	4
	NET BALANCE	+7	+12	-26	-19	-23	+17	+14	0	+3	+31
WAGES BILL:	INCREASE	28	37	35	27	23	29	34	17	20	43
	DECREASE	6	14	18	20	25	5	12	18	16	7
	NET BALANCE	+22	+23	+17	+7	-2	+24	+22	-1	+4	+36
PRICES :	INCREASE	13	9	21	17	12	30	23	15	20	25
	DECREASE	14	7	4	7	8	0	2	4	3	6
	NET BALANCE	-1	+2	+17	+10	+4	+30	+21	+11	+17	+19
PROFITABILITY:	INCREASE	31	43	38	32	36	56	50	41	36	55
	DECREASE	15	12	19	33	31	10	12	23	14	7
	NET BALANCE	+16	+31	+19	-1	+5	+46	+38	+18	+22	+48
CAPITAL EXPENDITURE:	INCREASE	29	29	33	18	39	30	11	30	22	32
	DECREASE	27	20	18	28	11	26	25	24	25	24
	NET BALANCE	+2	+9	+15	-10	+28	+4	-14	+6	-3	+8

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.

Small Business Outlook - ACT

- Confidence collapsed.
- Sales growth fell sharply, very poor expectations.
- Employment growth slightly firmer, though expectations lower.
- Profit growth and expectations collapsed.
- Capital expenditure negative but improved.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - ACT

SOURCE: Yellow Pages®
Small Business Index™

			<u>MAY 1996</u>	<u>AUG 1996</u>	<u>NOV 1996</u>	<u>FEB 1997</u>	<u>MAY 1997</u>				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		60	54	59	58	46				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		24	37	19	23	40				
	NET BALANCE		+36	+17	+40	+35	+6				
		<u>ACTUAL EXPERIENCE DURING:</u>	<u>EXPECTATIONS FOR:</u>								
		FEB-APR 1996	MAY-JUL 1996	AUG-OCT 1996	NOV-JAN 96/97	FEB-APR 1997	MAY-JUL 1996	AUG-OCT 1996	NOV-JAN 96/97	FEB-APR 1997	MAY-JUL 1997
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	32	25	41	37	26	29	52	39	56	35
	DECREASE	31	39	34	34	47	24	16	25	12	21
	NET BALANCE	+1	-14	+7	+3	-21	+5	+36	+14	+44	+14
SIZE OF WORKFORCE:	INCREASE	14	9	19	12	17	15	15	21	11	2
	DECREASE	11	17	10	11	13	4	3	7	5	2
	NET BALANCE	+3	-8	+9	+1	+4	+11	+12	+14	+6	0
WAGES BILL:	INCREASE	28	18	23	25	18	22	25	24	23	12
	DECREASE	9	19	12	16	14	10	8	11	7	10
	NET BALANCE	+19	-1	+11	+9	+4	+12	+17	+13	+16	+2
PRICES:	INCREASE	12	16	10	8	15	10	17	12	21	25
	DECREASE	11	10	16	9	13	6	5	8	2	4
	NET BALANCE	+1	+6	-6	-1	+2	+4	+12	+4	+19	+21
PROFITABILITY:	INCREASE	30	24	37	34	22	35	50	39	51	37
	DECREASE	28	41	33	38	54	25	19	24	13	24
	NET BALANCE	+2	-17	+4	-4	-32	+10	+31	+15	+38	+13
CAPITAL EXPENDITURE:	INCREASE	26	22	18	13	17	23	22	26	24	18
	DECREASE	30	20	21	23	18	31	28	21	19	19
	NET BALANCE	-4	+2	-3	-10	-1	-8	-6	+5	+5	-1

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.
NOTE: Prior to August 1995, the sample size was too small for separate analysis and ACT data was included in the New South Wales results.

Notes: