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 (November 1997) survey was conducted over the period 30th October to 12th November 1997. The report covers the experience over the past three months (August, September and October) and expectations for both the current quarter (November, December, January) and the 12 months ending November, 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 rose significantly between August and November.

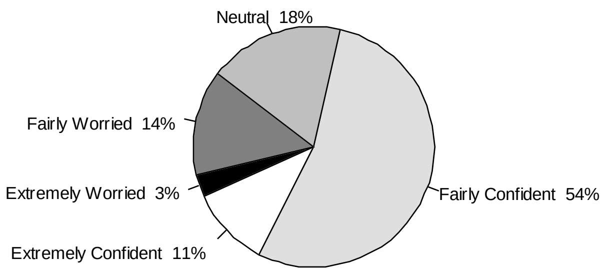
With the exception of the election-euphoria induced - rise in confidence recorded in the May 1996 survey, this is the highest level of confidence for two-and-a-half years.

The rise in confidence in proprietors' own business prospects was recorded in all mainland states and most industry sectors.

Across the states and territories, confidence is highest in the Northern Territory and lowest in Queensland and Tasmania.

Across the sectors, small business proprietors in personal and business services are the most confident.

Overall Confidence - November 1997



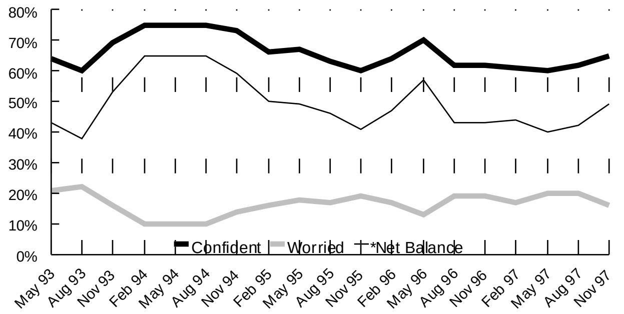
SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - November 1997

Confidence Trends - Past Five Quarters

	Nov 96	Feb 97	May 97	Aug 97	Nov 97
Extremely Confident	9%	7%	8%	9%	11%
Fairly Confident	53%	54%	52%	53%	54%
Neutral	19%	22%	20%	18%	18%
Fairly Worried	16%	14%	16%	16%	14%
Extremely Worried	3%	3%	4%	4%	3%
Total Confident	62%	61%	60%	62%	65%
Total Worried	19%	17%	20%	20%	16%
***NET BALANCE**	**+43%**	**+44%**	**+40%**	**+42%**	**+49%**

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

Confidence - Long Term Trends



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

Trends By State
***Net Balance**

	Nov 96	Feb 97	May 97	Aug 97	Nov 97
NATIONAL	43%	44%	40%	42%	49%
NSW	43%	47%	43%	52%	55%
VIC	47%	40%	39%	42%	50%
QLD	31%	38%	28%	23%	30%
SA	48%	48%	57%	50%	60%
WA	60%	58%	51%	48%	52%
TAS	35%	28%	24%	32%	28%
NT	78%	51%	51%	77%	77%
ACT	40%	35%	6%	31%	44%

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

Trends By Sector
***Net Balance**

	Nov 96	Feb 97	May 97	Aug 97	Nov 97
All Businesses	43%	44%	40%	42%	49%
Manufacturing	37%	49%	34%	39%	38%
Building/Construction	40%	33%	37%	45%	51%
Wholesale/Retail	35%	33%	24%	28%	37%
Transport/Storage	28%	34%	48%	32%	33%
Business Services	54%	60%	49%	54%	54%
Personal Services	49%	48%	53%	52%	61%

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

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

Yellow Pages

ECONOMIC OUTLOOK

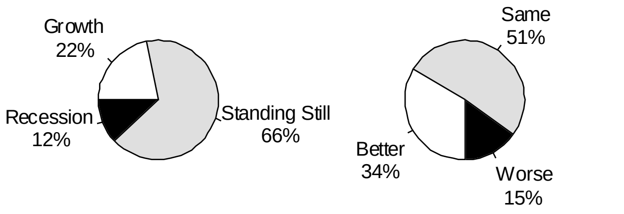
Perceptions of the economy have lifted, with a significant rise in the number of proprietors reporting Australia to be in a period of growth, and a corresponding fall in the number believing it to be in recession.

Small businesses in New South Wales and Victoria are the most positive about the current state of the economy.

Across the sectors, proprietors in business services and building/construction are the most positive, and transport/storage services the least positive, in their assessment of the economy.

Expectations of an improved economy in 12 months time have eased slightly, particularly in New South Wales, Western Australia and South Australia. Small businesses in building/construction are the most optimistic about improvement in the economy over the next year.

The Economy



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

Perceptions of the Economy - Trends

	Nov 96	Feb 97	May 97	Aug 97	Nov 97
THE ECONOMY NOW					
Growth	20%	17%	19%	16%	22%
Recession	18%	16%	18%	17%	12%
***Net Balance**	**2%**	**1%**	**1%**	**-1%**	**10%**
THE ECONOMY A YEAR FROM NOW					
Better	46%	38%	30%	35%	34%
Worse	11%	12%	13%	12%	15%
***Net Balance**	**35%**	**26%**	**17%**	**23%**	**19%**

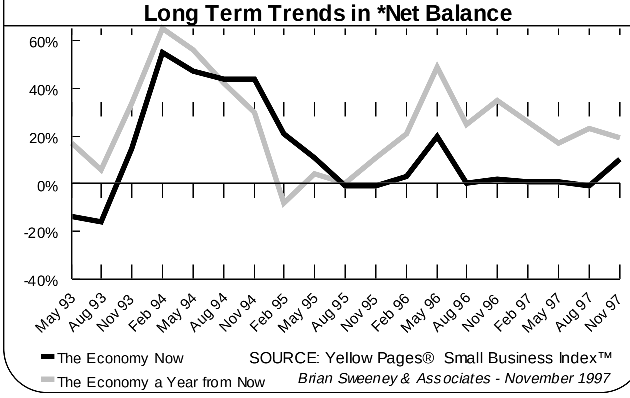
SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - November 1997

Perceptions of the Economy by State

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
THE ECONOMY NOW								
Growth	26%	24%	18%	11%	20%	20%	12%	17%
Recession	11%	12%	17%	7%	14%	15%	19%	11%
***Net Balance**	**15%**	**12%**	**-1%**	**4%**	**6%**	**5%**	**-7%**	**-6%**
THE ECONOMY A YEAR FROM NOW								
Better	39%	32%	31%	28%	34%	27%	25%	32%
Worse	17%	13%	14%	15%	17%	9%	18%	12%
***Net Balance**	**22%**	**19%**	**17%**	**13%**	**17%**	**18%**	**7%**	**20%**

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

Perceptions of The Economy
Long Term Trends in *Net Balance



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

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

Yellow Pages

Expectations on Key Indicators Over the Next 12 Months

Nationally, 12 month expectations on key indicators were little changed.

Across the sectors, sales expectations rose substantially in building/construction but eased in wholesale/retail.

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

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	65%	8%	57%
Size of workforce	25%	3%	22%
Wages bill	41%	4%	37%
Prices charged	45%	3%	42%
Profitability	62%	9%	53%
Capital expenditure	34%	17%	17%

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

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

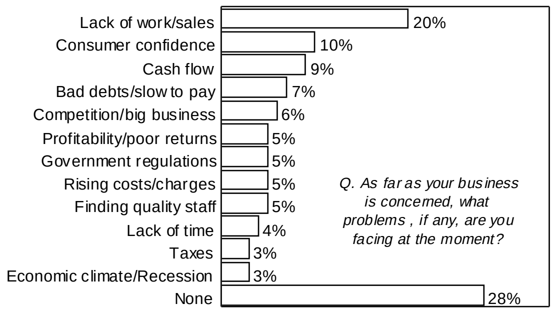
	Aug 96	Nov 96	Feb 97	May 97	Aug 97	Nov 97
Value of sales	57%	58%	61%	53%	56%	57%
Size of workforce	19%	23%	21%	20%	22%	22%
Wages bill	35%	38%	36%	32%	36%	37%
Prices charged	38%	41%	40%	41%	40%	42%
Profitability	53%	50%	54%	50%	51%	53%
Capital expenditure	16%	18%	16%	13%	17%	17%

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

Concerns

Lack of work/sales remains the dominant concern among small business proprietors. However, consistent with the reported rises in sales and profit growth, concerns over cash flow have almost halved between the August and November surveys.

Prime Concerns
November 1997

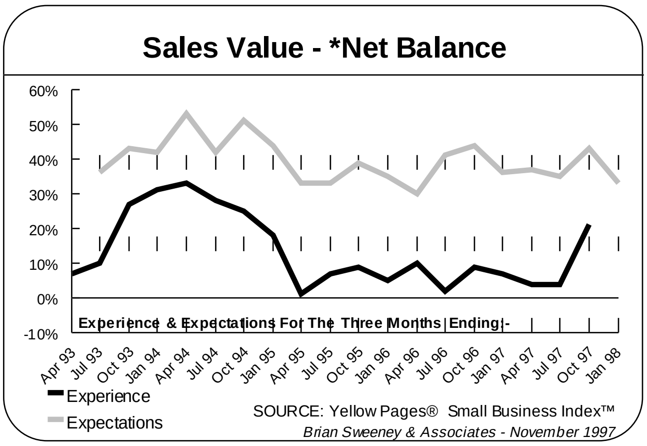


SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - November 1997

Yellow Pages

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

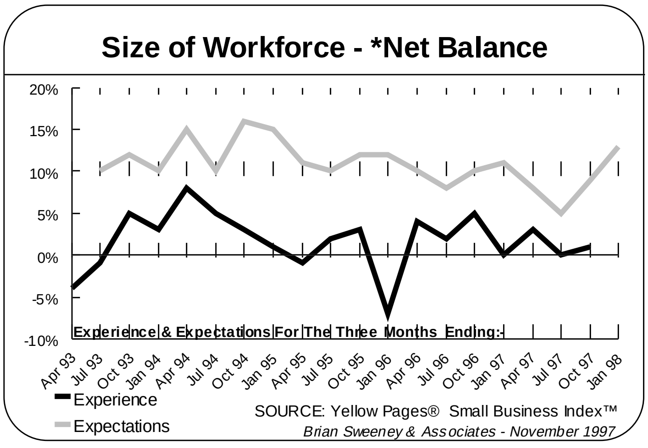
Sales



Nationally, the number of small businesses reporting sales increases reached its highest percentage since October 1994. Small business sales growth lifted substantially over the three months to October in all states and territories and in all sectors of industry. While sales growth was strongest in building/construction and business services, small businesses in transport and storage reported the largest acceleration in this growth.

Expected sales growth for the current three months (November-January) has fallen, particularly in the Northern Territory and Queensland and in the business services sector. This is more than likely a function of the increased growth in the current quarter.

Employment



Nationally, small business employment growth during the past three months was static, in contrast to the rises reported in confidence, the economic outlook and sales. However, expectations for increased employment have firmed.

Proprietors in Victoria and in manufacturing and personal services reported the strongest job growth. Expectations for employment growth have firmed in all states and territories, other than Queensland and the ACT.

Consistent with seasonal conditions, expected employment growth has weakened substantially in manufacturing, but has significantly improved in wholesale/retail.

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

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JOBS GROWTH AND IMPEDIMENTS TO GROWTH

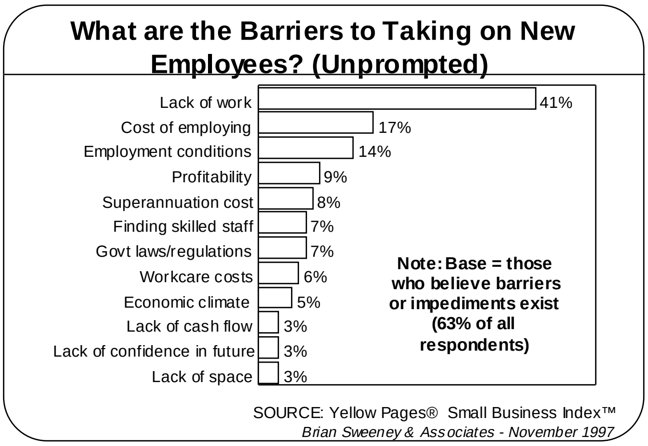
Over the past 12 months, small businesses in total have recorded no job growth. However, there is a small group of growth - oriented businesses (6% of the small business population) which recorded job growth in excess of 18% over the 12 months. Further details on this important sector of the small business population are provided later in this report.

Over the past 12 months, reported small business employment growth has been strongest in the manufacturing and personal services sectors but there has been a decline in the transport/storage sectors.

The number of proprietors reporting impediments to taking on new employees eased between August and November (dropping from 69% to 63%).

Nonetheless, nationally more than 60% of proprietors are still reluctant to add to their workforce. Proprietors in manufacturing and wholesale/retail are more likely to report impediments.

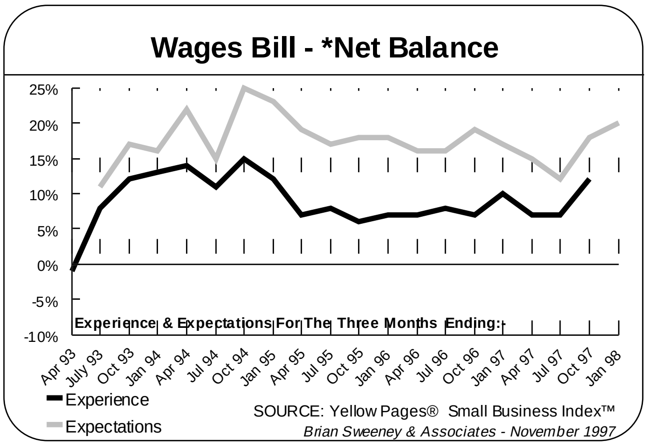
Almost half of those who believe there are impediments to employing staff cite lack of work and the economic climate as specific factors.



WAGES BILL

As anticipated by small businesses in August, growth in wages bills was reported by an increased number of proprietors.

Indeed, on a national basis, the net number of proprietors reporting increased wages bills is the highest for almost three years. Expectations for further growth in the wages bill have firmed slightly and are also higher than in recent years.



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

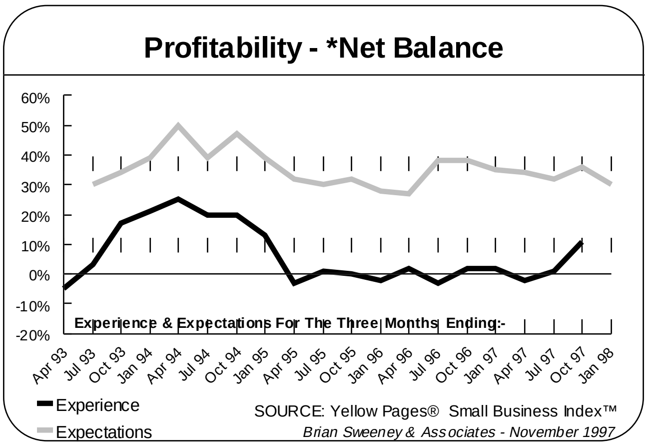
PROFITABILTY & CAPITAL EXPENDITURE

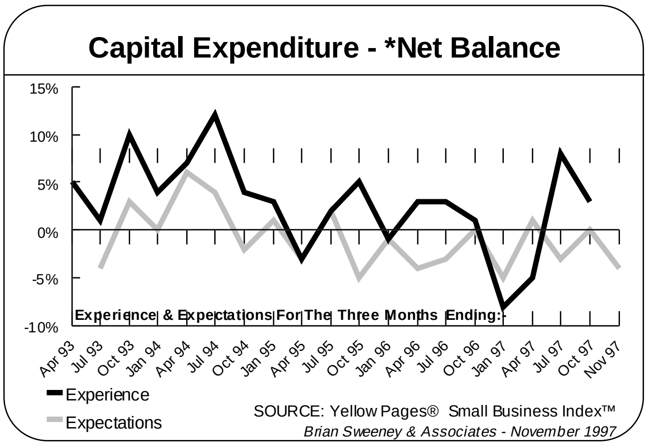
Nationally, profit growth jumped to the highest level since January 1995. Led by building/construction, all sectors other than manufacturing reported positive profit growth.

Across the states and territories, profit growth was strongest in the ACT and Tasmania.

Profit expectations for the current quarter (November-January) have eased - particularly in Queensland and the Northern Territory. Only South Australia reported an increase in profit expectations.

Capital expenditure growth in the past quarter (August-October) eased back from the end of financial year surge identified in the previous survey.



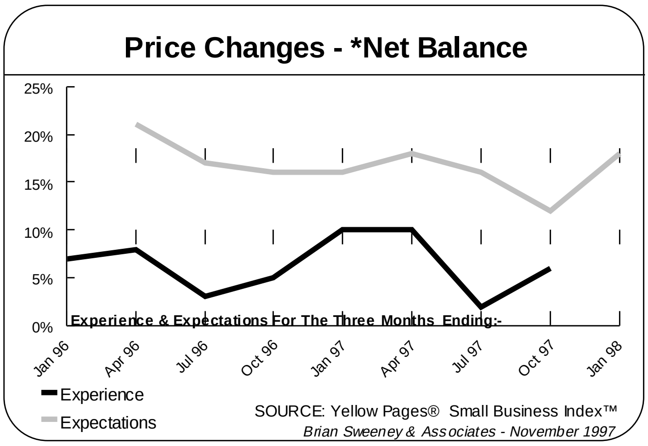


PRICES

Although three-quarters of proprietors surveyed reported no increase in prices there has been an increase in the net proportion who have implemented some price increases.

Only those in the ACT did not report stronger price movements.

Expectations for price increases in the current quarter also rose substantially.



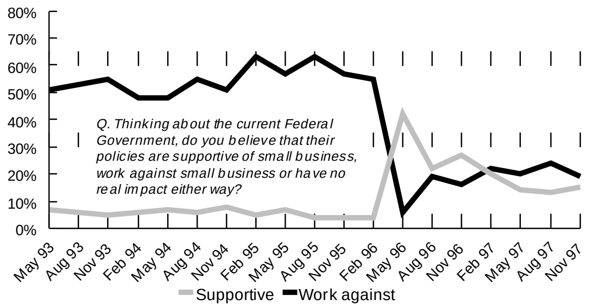
**Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.*

ASSESSMENT OF FEDERAL GOVERNMENT POLICIES

Proprietors' assessments of Federal Government policies remain negative on balance, but less so compared with three months ago.

While, nationally, Federal policies are rated as unsupportive, businesses located in the Northern Territory and New South Wales and businesses in the wholesale/retail sector rate these policies positively.

Attitudes to Federal Government Policies
Long Term Trends



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

Attitudes to Federal Government Policies
Past Five Quarters

	Nov 96	Feb 97	May 97	Aug 97	Nov 97
Supportive	27%	20%	14%	13%	15%
Work against	16%	22%	20%	24%	19%
No impact	57%	58%	66%	63%	66%
****Net Balance**	**+11%**	**-2%**	**-6%**	**-11%**	**-4%**

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

LEGAL FORMS AND BUSINESS ARRANGEMENTS

In recent months there has been much discussion about the use of trusts in small business.

Two special questions were included in the survey to examine the legal form used for the business operations and whether the proprietor or partner made use of family or discretionary trusts.

The dominant legal form for proprietors surveyed is the proprietary company, although almost one in four described their operating arrangements as a partnership. Only 7% mentioned family or discretionary trust arrangements.

However, 11% of those in partnerships, 32% of those with proprietary companies and 13% of sole traders also indicated that either they or their business partners use trust arrangements.

In total, therefore, some 28% of proprietors surveyed use trusts. Proprietors aspiring to significant growth or in larger partnerships are much more likely to do so - around one half of small businesses in these categories use trust arrangements.

The use of trusts varies substantially across the states and territories and appears to be lowest in NSW.

Legal forms and Business Arrangements

	Legal Form of Business	Trust Arrangements for Proprietor or Business Partner	Total in Trust Arrange-ment
Partnership	23%	11%	2.5%
Proprietory Company	50%	32%	16.0%
Sole Trader	18%	13%	2.3%
Family/Discretionary Trust	7%	100%	7.0%
Other	1%	N/A	N/A
	100%		**27.7%**

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

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THE DYNAMIC FIRMS

Proprietors were asked about their growth aspirations. While almost 60% aspire to moderate growth, very few (6%) aspire to significant growth.

As discussed above, while there has been no employment growth in the small business sector, these firms reported 18% growth in employment over the year.

Compared with all small businesses, these dynamic businesses are more likely to:

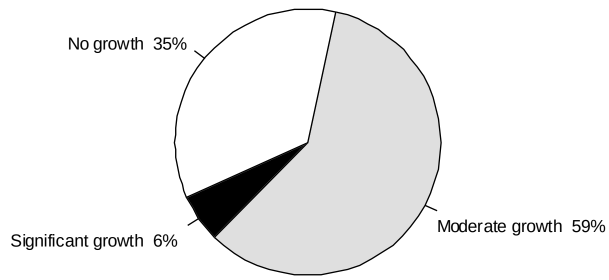
- be larger employers, particularly employing more than 10;
- be an all-male partnership. Further, in general female participation is lower than average. (58% per cent of significantly growing businesses have no female involvement compared with an overall average of 46%);
- be in newer industries - the service industries, in particular business services or personal services;
- be younger. More than half of these firms are less than five years old;
- use trusts; and
- be concerned with finding quality staff, consumer confidence and cash flow. On the other hand, they are less concerned than other businesses with lack of sales.

The working patterns of proprietors and staff provide some insight into these dynamic businesses.

- Proprietors tend to work longer than other small businesses. On average, they work 64 hours per week compared with 58 hours across all small businesses – or just over one hour per day more;
- Their staff work similar hours (34 hours) each week to those in all small businesses (33 hours); and
- Proprietors work slightly more Saturdays and Sundays. Overall these dynamic business proprietors work 9.7 hours on a weekend compared with an overall average of 9.1 hours.

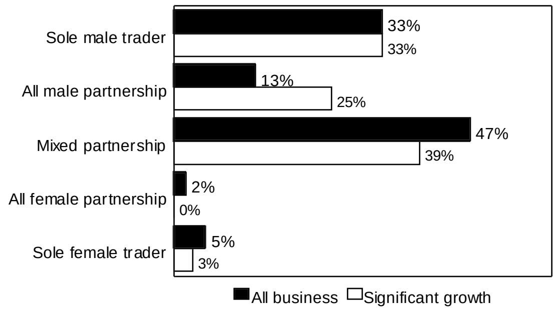
In summary, proprietors of these dynamic businesses obtain greater sales growth,are able to expand employment while only puuting in slightly longer hours. This suggests that these proprietors are either highly organised or have a well-tuned business aptitude, or both.

Growth Aspirations



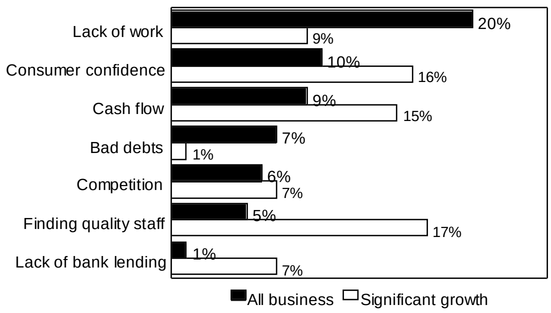
SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - November 1997

Dynamic Firms Structure



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

Key Concerns



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

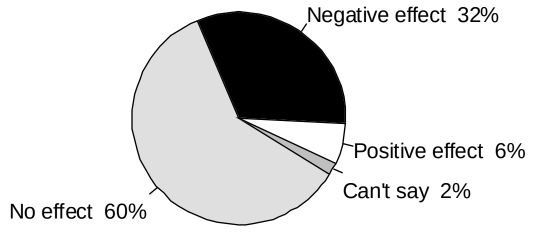
THE IMPACT OF MOVEMENTS IN THE AUSTRALIAN DOLLAR

At the time of the November survey, significant realignments were occurring in world currency markets. At that time, a number of south-east Asian currencies fell sharply against other world currencies, including the Australian dollar. Our dollar also fell against the US and European currencies. In the November Small Business Index™ proprietors were asked for their impressions of the impact of these movements.

Most small businesses do not believe they will be affected by the currency crisis or movements in the Australian dollar - neither the appreciation against SE Asian nor the depreciation against US and European currencies.

Predictably, sectors more exposed to overseas supply and demand - the manufacturing and wholesale/retail trade sectors - believe they will be affected. Around 40% of both sectors believe the currency crisis will have a negative effect on their business.

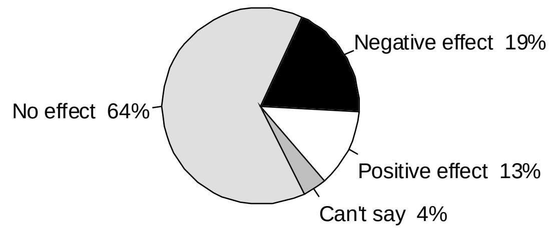
Impact of Asian Currency Crisis



Q : Will the recent financial crisis in S.E. Asia effect your business negatively, positively or have no effect?

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

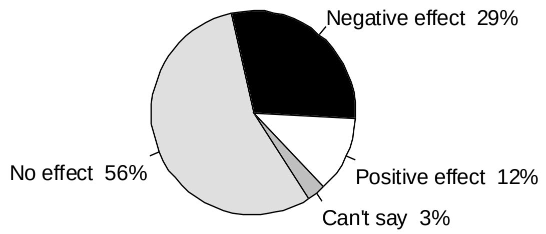
Impact of Appreciation of Australian Dollar Against Asian Currencies



Q : If the Australian dollar was to continue to rise in value against the S.E. Asian currencies would this affect your business negatively, positively or have no effect?

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

Impact of Depreciation of Australian Dollar Against US and European Currencies



Q : If the Australian dollar was to continue to fall in value against the US and European currencies would this affect your business negatively, positively or have no effect?

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

Yellow Pages

Small Business Outlook - National

- Confidence lift.
- Sharp rise in sales and profit growth.
- Employment growth static; investment growth weaker.
- Less negative assessment of Federal policies.
- Prices and price expectations increased.

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

SOURCE: Yellow Pages® Small Business Index™

		NOV 1995 %	FEB 1997 %	MAY 1997 %	AUG 1997 %	NOV 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	62	61	60	62	65
	NEGATIVE	19	17	20	20	16
	NET BALANCE	**+43**	**+44**	**+40**	**+42**	**+49**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 97/98 %
SALES VALUE:	INCREASE	39	38	35	36	44	48	50	47	51	47
	DECREASE	30	31	31	31	23	12	13	12	8	14
	NET BALANCE	**+9**	**+7**	**+4**	**+5**	**+21**	**+36**	**+37**	**+35**	**+43**	**+33**
SIZE OF WORKFORCE:	INCREASE	14	14	13	12	12	15	13	9	13	16
	DECREASE	9	14	10	12	11	4	5	4	4	3
	NET BALANCE	**+5**	**0**	**+3**	**0**	**+1**	**+11**	**+8**	**+5**	**+9**	**+13**
WAGES BILL:	INCREASE	19	23	20	21	23	24	23	18	23	25
	DECREASE	12	13	13	14	11	7	8	6	5	5
	NET BALANCE	**+7**	**+10**	**+7**	**+7**	**+12**	**+17**	**+15**	**+12**	**+18**	**+20**
PRICES:	INCREASE	16	17	18	15	15	19	22	21	17	20
	DECREASE	10	8	9	13	9	3	4	4	5	3
	NET BALANCE	**+6**	**+9**	**+9**	**+2**	**+6**	**+16**	**+18**	**+17**	**+12**	**+18**
PROFITABILITY:	INCREASE	34	34	31	31	38	47	47	45	45	45
	DECREASE	32	32	33	30	27	12	13	13	9	15
	NET BALANCE	**+2**	**+2**	**-2**	**+1**	**+11**	**+35**	**+34**	**+32**	**+36**	**+30**
CAPITAL EXPENDITURE:	INCREASE	23	17	20	26	23	19	22	21	23	19
	DECREASE	22	25	25	18	20	24	21	24	23	23
	NET BALANCE	**+1**	**-8**	**-5**	**+8**	**+3**	**-5**	**+1**	**-3**	**0**	**-4**

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

Yellow Pages

Small Business Outlook - NSW

- Confidence slightly firmer.
- Sales growth strongest across all states, but expectations weaker.
- Job growth negative but expectations firmer for summer (November-January).
- Capital expenditure growth weaker and expectations negative.
- Profits stronger, expectations stable.

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

SOURCE: Yellow Pages® Small Business Index™

		NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %	NOV 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	63	61	62	69	71
	NEGATIVE	20	14	19	17	16
	NET BALANCE	**+43**	**+47**	**+43**	**+52**	**+55**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 97/98 %
SALES VALUE:	INCREASE	42	36	33	38	45	54	52	52	54	47
	DECREASE	29	33	29	27	18	10	15	10	9	12
	NET BALANCE	**+13**	**+3**	**+4**	**+11**	**+27**	**+44**	**+37**	**+42**	**+45**	**+35**
SIZE OF WORKFORCE:	INCREASE	14	17	12	15	11	17	14	12	13	16
	DECREASE	8	17	10	12	13	4	7	3	4	2
	NET BALANCE	**+6**	**0**	**+2**	**+3**	**-2**	**+13**	**+7**	**+9**	**+9**	**+14**
WAGES BILL:	INCREASE	17	23	21	22	23	24	23	17	26	27
	DECREASE	11	14	11	12	12	5	9	5	4	4
	NET BALANCE	**+6**	**+9**	**+10**	**+10**	**+11**	**+19**	**+14**	**+12**	**+22**	**+23**
PRICES:	INCREASE	20	17	19	15	12	15	18	25	16	21
	DECREASE	11	9	10	14	10	5	5	4	5	2
	NET BALANCE	**+9**	**+8**	**+9**	**+1**	**+2**	**+10**	**+13**	**+21**	**+11**	**+19**
PROFITABILITY:	INCREASE	36	31	29	32	39	50	46	49	47	50
	DECREASE	32	37	31	25	23	12	17	11	9	14
	NET BALANCE	**+4**	**-6**	**-2**	**+7**	**+16**	**+38**	**+29**	**+38**	**+38**	**+36**
CAPITAL EXPENDITURE:	INCREASE	21	14	21	27	21	16	22	19	25	18
	DECREASE	25	18	23	15	19	25	14	19	16	26
	NET BALANCE	**-4**	**-4**	**-2**	**+12**	**+2**	**-9**	**+8**	**0**	**+9**	**-8**

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

Yellow Pages®

Small Business Outlook - Victoria

- Confidence lift.
- Sales and profit growth firmed significantly; expectations flat.
- Employment growth static, but expectations well above national average.
- Approval of Kennett Government policies lowest since Index began (May 1993).
- Actual and expected prices higher.

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

SOURCE: Yellow Pages® Small Business Index™

		NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %	NOV 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	62	60	59	61	66
	NEGATIVE	15	20	20	19	16
	NET BALANCE	**+47**	**+40**	**+39**	**+42**	**+50**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 97/98 %
SALES VALUE:	INCREASE	38	40	39	37	45	45	53	46	48	51
	DECREASE	25	29	26	29	29	9	10	13	6	13
	NET BALANCE	**+13**	**+11**	**+13**	**+8**	**+16**	**+36**	**+43**	**+33**	**+42**	**+38**
SIZE OF WORKFORCE:	INCREASE	15	13	14	15	13	17	13	6	14	19
	DECREASE	8	13	6	9	9	1	3	4	5	3
	NET BALANCE	**+7**	**0**	**+8**	**+6**	**+4**	**+16**	**+10**	**+2**	**+9**	**+16**
WAGES BILL:	INCREASE	21	22	22	23	20	25	25	17	22	29
	DECREASE	9	10	8	14	9	5	5	7	4	5
	NET BALANCE	**+12**	**+12**	**+14**	**+9**	**+11**	**+20**	**+20**	**+10**	**+18**	**+24**
PRICES:	INCREASE	13	20	19	16	16	26	22	21	19	24
	DECREASE	9	6	7	13	9	2	4	5	5	1
	NET BALANCE	**+4**	**+14**	**+12**	**+3**	**+7**	**+24**	**+18**	**+16**	**+14**	**+23**
PROFITABILITY:	INCREASE	36	42	37	32	40	48	53	48	42	49
	DECREASE	29	28	28	28	30	9	10	14	9	15
	NET BALANCE	**+7**	**+14**	**+9**	**+4**	**+10**	**+39**	**+43**	**+34**	**+33**	**+34**
CAPITAL EXPENDITURE:	INCREASE	26	18	20	27	24	22	26	26	24	23
	DECREASE	20	32	24	14	23	24	24	27	30	19
	NET BALANCE	**+6**	**-14**	**-4**	**+13**	**+1**	**-2**	**+2**	**-1**	**-6**	**+4**

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

Yellow Pages

Small Business Outlook - Queensland

- Sharp rise in sales growth, expectations substantially firmer.
- Lift in confidence but confidence level is now lowest of all mainland states.
- Positive employment growth in past three months, but expectations marginally eased.

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

SOURCE: Yellow Pages® Small Business Index™

		NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %	NOV 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	55	58	54	49	51
	NEGATIVE	24	20	26	26	21
	NET BALANCE	**+31**	**+38**	**+28**	**+23**	**+30**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 97/98 %
SALES VALUE:	INCREASE	36	40	33	34	42	45	48	45	51	40
	DECREASE	38	32	41	39	27	16	16	13	10	21
	NET BALANCE	**-2**	**+8**	**-8**	**-5**	**+15**	**+29**	**+32**	**+32**	**+41**	**+19**
SIZE OF WORKFORCE:	INCREASE	11	11	13	8	15	8	11	10	15	15
	DECREASE	11	10	15	17	12	6	6	4	6	8
	NET BALANCE	**0**	**+1**	**-2**	**-9**	**+3**	**+2**	**+5**	**+6**	**+9**	**+7**
WAGES BILL:	INCREASE	21	25	18	16	27	24	18	22	23	20
	DECREASE	17	14	20	18	10	10	12	7	7	9
	NET BALANCE	**+4**	**+11**	**-2**	**-2**	**+17**	**+14**	**+6**	**+15**	**+16**	**+11**
PRICES:	INCREASE	11	9	18	10	15	16	31	14	15	16
	DECREASE	9	11	11	12	8	2	5	5	3	3
	NET BALANCE	**+2**	**-2**	**+7**	**-2**	**+7**	**+14**	**+26**	**+9**	**+12**	**+13**
PROFITABILITY:	INCREASE	29	33	25	26	37	41	45	40	44	36
	DECREASE	39	33	41	39	31	17	15	15	10	22
	NET BALANCE	**-10**	**0**	**-16**	**-13**	**+6**	**+24**	**+30**	**+25**	**+34**	**+14**
CAPITAL EXPENDITURE:	INCREASE	25	20	19	24	28	19	18	20	21	18
	DECREASE	21	27	30	25	21	26	27	29	28	29
	NET BALANCE	**+4**	**-7**	**-11**	**-1**	**+7**	**-7**	**-9**	**-9**	**-7**	**-11**

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

Yellow Pages

Small Business Outlook - SA

- Confidence strongest among all states.
- Sharp rise in sales growth, expectations firmer.
- Employment falls ending, expectations stronger.
- Profits turnaround expected to continue.

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

SOURCE: Yellow Pages® Small Business Index™

		NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %	NOV 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	63	60	67	66	71
	NEGATIVE	15	12	10	16	11
	NET BALANCE	**+48**	**+48**	**+57**	**+50**	**+60**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 97/98 %
SALES VALUE:	INCREASE	43	40	36	29	40	52	47	47	46	51
	DECREASE	23	20	25	30	23	9	8	11	13	7
	NET BALANCE	**+20**	**+20**	**+11**	**-1**	**+17**	**+43**	**+39**	**+36**	**+33**	**+44**
SIZE OF WORKFORCE:	INCREASE	14	16	12	6	10	11	15	8	11	18
	DECREASE	8	13	11	12	11	5	2	2	4	2
	NET BALANCE	**+6**	**+3**	**+1**	**-6**	**-1**	**+6**	**+13**	**+6**	**+7**	**+16**
WAGES BILL:	INCREASE	18	24	18	20	19	22	27	22	20	20
	DECREASE	9	11	14	17	15	5	3	4	8	3
	NET BALANCE	**+9**	**+13**	**+4**	**+3**	**+4**	**+17**	**+24**	**+18**	**+12**	**+17**
PRICES:	INCREASE	18	16	18	16	21	16	25	23	18	20
	DECREASE	11	8	11	7	8	2	4	2	5	1
	NET BALANCE	**+7**	**+8**	**+7**	**+9**	**+13**	**+14**	**+21**	**+21**	**+13**	**+19**
PROFITABILITY:	INCREASE	36	35	31	25	32	47	48	45	41	42
	DECREASE	22	21	30	30	26	10	10	11	13	5
	NET BALANCE	**+14**	**+14**	**+1**	**-5**	**+6**	**+37**	**+38**	**+34**	**+28**	**+37**
CAPITAL EXPENDITURE:	INCREASE	25	19	19	21	18	18	21	24	23	15
	DECREASE	18	28	25	29	18	26	27	24	18	14
	NET BALANCE	**+7**	**-9**	**-6**	**-8**	**0**	**-8**	**-6**	**0**	**+5**	**+1**

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

Yellow Pages

Small Business Outlook - WA

- Sharp rise in sales growth above national experience, but expectations significantly weaker.
- Employment growth zero or negative. Expectations stable.
- Rise in net numbers of businesses reporting price rises but price expectations stable.
- Profits stronger but expectations weaker.
- Capital expenditure weaker as expected.

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

SOURCE: Yellow Pages® Small Business Index™

		NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %	NOV 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	72	70	64	67	65
	NEGATIVE	12	12	13	19	13
	NET BALANCE	**+60**	**+58**	**+51**	**+48**	**+52**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 97/98 %
SALES VALUE:	INCREASE	40	35	39	38	42	45	47	35	58	47
	DECREASE	32	33	31	35	22	11	10	14	5	10
	NET BALANCE	**+8**	**+2**	**+8**	**+3**	**+20**	**+34**	**+37**	**+21**	**+53**	**+37**
SIZE OF WORKFORCE:	INCREASE	21	16	12	11	10	15	16	8	11	12
	DECREASE	11	13	11	7	12	5	5	4	2	0
	NET BALANCE	**+10**	**+3**	**+1**	**+4**	**-2**	**+10**	**+11**	**+4**	**+9**	**+12**
WAGES BILL:	INCREASE	23	17	11	21	22	26	24	14	19	23
	DECREASE	13	15	11	13	11	5	9	6	2	2
	NET BALANCE	**+10**	**+2**	**0**	**+8**	**+11**	**+21**	**+15**	**+8**	**+17**	**+21**
PRICES:	INCREASE	16	22	15	17	20	25	18	20	19	14
	DECREASE	9	5	7	11	7	2	4	3	7	5
	NET BALANCE	**+7**	**+17**	**+8**	**+6**	**+13**	**+23**	**+14**	**+17**	**+12**	**+9**
PROFITABILITY:	INCREASE	40	31	33	34	36	46	43	35	51	44
	DECREASE	32	29	34	32	26	9	11	14	5	11
	NET BALANCE	**+8**	**+2**	**-1**	**+2**	**+10**	**+37**	**+32**	**+21**	**+46**	**+33**
CAPITAL EXPENDITURE:	INCREASE	15	19	19	26	23	20	18	20	15	16
	DECREASE	23	26	25	16	22	19	21	22	24	24
	NET BALANCE	**-8**	**-7**	**-6**	**+10**	**+1**	**+1**	**-3**	**-2**	**-9**	**-8**

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

Yellow Pages

Small Business Outlook - Tasmania

- Confidence remains depressed.
- Very large rise in sales growth following two quarters of negative growth. Corresponding rise in profits.
- Firmer sales expectations for current quarter (November-January).
- Job and investment growth negative, but much less so.

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

SOURCE: Yellow Pages® Small Business Index™

		NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %	NOV 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	55	49	51	54	47
	NEGATIVE	20	21	27	22	19
	NET BALANCE	**+35**	**+28**	**+24**	**+32**	**+28**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 97/98 %
SALES VALUE:	INCREASE	24	33	20	27	50	45	32	31	44	53
	DECREASE	33	32	41	41	29	14	14	24	8	9
	NET BALANCE	**-9**	**+1**	**-21**	**-14**	**+21**	**+31**	**+18**	**+7**	**+36**	**+44**
SIZE OF WORKFORCE:	INCREASE	10	11	9	4	8	11	4	3	6	7
	DECREASE	7	5	12	17	10	5	9	12	4	4
	NET BALANCE	**+3**	**+6**	**-3**	**-13**	**-2**	**+6**	**-5**	**-9**	**+2**	**+3**
WAGES BILL:	INCREASE	13	19	16	21	19	20	12	15	12	16
	DECREASE	12	9	23	18	14	8	7	11	5	8
	NET BALANCE	**+1**	**+10**	**-7**	**+3**	**+5**	**+12**	**+5**	**+4**	**+7**	**+8**
PRICES:	INCREASE	17	19	18	15	17	18	19	16	19	22
	DECREASE	3	2	10	7	5	1	0	4	4	0
	NET BALANCE	**+14**	**+17**	**+8**	**+8**	**+12**	**+17**	**+19**	**+12**	**+15**	**+22**
PROFITABILITY:	INCREASE	13	29	19	24	48	46	37	29	40	42
	DECREASE	31	35	46	47	25	14	11	24	6	10
	NET BALANCE	**-18**	**-6**	**-27**	**-23**	**+23**	**+32**	**+26**	**+5**	**+34**	**+32**
CAPITAL EXPENDITURE:	INCREASE	21	17	19	20	10	24	11	17	20	13
	DECREASE	20	18	28	30	14	23	25	41	20	18
	NET BALANCE	**+1**	**-1**	**-9**	**-10**	**-4**	**+1**	**-14**	**-24**	**0**	**-5**

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

Yellow Pages

Small Business Outlook - NT

- Confidence unchanged at very high levels.
- Sales growth lift in previous quarter but expectations slump for current quarter (November-January).
- Employment growth negative but expectations firmer.
- Capital expenditure growth positive but weaker; expectations negative.
- Profit growth and expectations lower.

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

SOURCE: Yellow Pages® Small Business Index™

		NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %	NOV 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	86	66	66	85	84
	NEGATIVE	8	15	15	8	7
	NET BALANCE	**+78**	**+51**	**+51**	**+77**	**+77**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 97/98 %
SALES VALUE:	INCREASE	38	33	35	44	38	40	41	71	53	31
	DECREASE	26	39	33	29	13	27	15	8	11	22
	NET BALANCE	**+12**	**-6**	**+2**	**+15**	**+25**	**+13**	**+26**	**+63**	**+42**	**+9**
SIZE OF WORKFORCE:	INCREASE	7	10	17	37	12	12	15	35	10	24
	DECREASE	33	29	40	11	21	12	12	4	8	10
	NET BALANCE	**-26**	**-19**	**-23**	**+26**	**-9**	**0**	**+3**	**+31**	**+2**	**+14**
WAGES BILL:	INCREASE	35	27	23	34	17	17	20	43	15	26
	DECREASE	18	20	25	14	12	18	16	7	11	19
	NET BALANCE	**+17**	**+7**	**-2**	**+20**	**+5**	**-1**	**+4**	**+36**	**+4**	**+7**
PRICES :	INCREASE	21	17	12	13	14	15	20	25	23	18
	DECREASE	4	7	8	12	3	4	3	6	3	1
	NET BALANCE	**+17**	**+10**	**+4**	**+1**	**+11**	**+11**	**+17**	**+19**	**+20**	**+17**
PROFITABILITY:	INCREASE	38	32	36	39	33	41	36	55	49	23
	DECREASE	19	33	31	18	18	23	14	7	16	20
	NET BALANCE	**+19**	**-1**	**+5**	**+21**	**+15**	**+18**	**+22**	**+48**	**+33**	**+3**
CAPITAL EXPENDITURE:	INCREASE	33	18	39	46	22	30	22	32	31	27
	DECREASE	18	28	11	14	10	24	25	24	18	28
	NET BALANCE	**+15**	**-10**	**+28**	**+32**	**+12**	**+6**	**-3**	**+8**	**+13**	**-1**

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

Yellow Pages®

Small Business Outlook - ACT

- Confidence stronger.
- Sharp rise in sales and profit growth.
- Employment growth positive.
- Sales and profit growth rose more in ACT than elsewhere.
- Capital expenditure growth weakened and negative. Expectations for current quarter stable.

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

SOURCE: Yellow Pages® Small Business Index™

		NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %	NOV 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	59	58	46	56	63
	NEGATIVE	19	23	40	25	19
	NET BALANCE	**+40**	**+35**	**+6**	**+31**	**+44**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %	NOV-JAN 97/98 %
SALES VALUE:	INCREASE	41	37	26	41	49	39	56	35	46	41
	DECREASE	34	34	47	26	16	25	12	21	8	14
	NET BALANCE	**+7**	**+3**	**-21**	**+15**	**+33**	**+14**	**+44**	**+14**	**+38**	**+27**
SIZE OF WORKFORCE:	INCREASE	19	12	17	13	12	21	11	2	15	9
	DECREASE	10	11	13	11	10	7	5	2	3	4
	NET BALANCE	**+9**	**+1**	**+4**	**+2**	**+2**	**+14**	**+6**	**0**	**+12**	**+5**
WAGES BILL:	INCREASE	23	25	18	16	30	24	23	12	25	21
	DECREASE	12	16	14	9	11	11	7	10	9	5
	NET BALANCE	**+11**	**+9**	**+4**	**+7**	**+19**	**+13**	**+16**	**+2**	**+16**	**+16**
PRICES:	INCREASE	10	8	15	13	13	12	21	25	12	15
	DECREASE	16	9	13	7	7	8	2	4	4	2
	NET BALANCE	**-6**	**-1**	**+2**	**+6**	**+6**	**+4**	**+19**	**+21**	**+8**	**+13**
PROFITABILITY:	INCREASE	37	34	22	33	45	39	51	37	41	40
	DECREASE	33	38	54	27	14	24	13	24	10	13
	NET BALANCE	**+4**	**-4**	**-32**	**+6**	**+31**	**+15**	**+38**	**+13**	**+31**	**+27**
CAPITAL EXPENDITURE:	INCREASE	18	13	17	20	17	26	24	18	27	24
	DECREASE	21	23	18	17	21	21	19	19	18	18
	NET BALANCE	**-3**	**-10**	**-1**	**+3**	**-4**	**+5**	**+5**	**-1**	**+9**	**+6**

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

YELLOW PAGES SMALL BUSINESS INDEX "SPECIAL REPORTS"

Since the inception of the Small Business Index, a range of Special Reports has been produced. Major reports include:

SOCIAL ISSUES - NOVEMBER 1993

WOMEN IN BUSINESS - JULY 1994 & FEBRUARY 1996

INDUSTRIAL RELATIONS AND THE NEW NATIONAL TRAINING WAGE - SEPTEMBER 1994

ATTITUDES TO GOVERNMENT - OCTOBER 1994 & NOVEMBER 1995

THE IMPACT OF THE DROUGHT ON RURAL SMALL BUSINESS - NOVEMBER 1994

SMALL BUSINESS GROWTH ASPIRATIONS AND THE ROLE OF EXPORTS - FEBRUARY 1995

TECHNOLOGY IN THE SMALL BUSINESS SECTOR - JULY 1995, JULY 1996, AUGUST 1997

FINANCE & BANKING ISSUES - AUGUST 1995

Other special topics investigated include NSW Bushfires, the Sydney Olympics, Exports, Australian Made and other Credential Advertising, and Employment Skills and Training.

For further information on these reports, please contact: Yellow Pages Australia
Public Relations Department
PH: (03) 9246 4767
FAX: (03) 9246 4876

The regular *Yellow Pages* Small Business Index reports are updated each quarter (February, May, August and November). The latest report can be accessed on Australia's *Yellow Pages* site on the Internet:

http://www.yellowpages.com.au/sbr/sbindex

Pacific Access Pty Ltd was established in Melbourne, Australia in 1991. The company brings together Australian expertise in directional advertising with the experience of its partners in international markets. Pacific Access continues to invest in skills and resources to extend its reach into the Pacific Rim region.

In Australia, Pacific Access has traded as Yellow Pages Australia with commercial responsibility for the sales, marketing, billing, compilation and customer service operations to produce 70 Yellow Pages® directories nationally.

In July 1997, Pacific Access also assumed commercial responsibility as Telstra's agent for the management and production of printed and electronic White Pages™ directories, *White Pages* and *Yellow Pages* directory production and distribution, and geo-mapping services. Pacific Access is now a full services directory company which will enable it to provide tangible benefits to customers and users.

More than 80% of Pacific Access' *Yellow Pages* directory customers are small businesses. The company is committed to supporting this vital sector of the business community though a number of initiatives such as the Small Business Index™, AUSbiz Small Business Development Program and the Yellow Pages® Business Ideas Grants.

If you have any inquiries relating to Pacific Access and its initiatives, please phone (03) 9246 4767.

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