

# 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 current three and 12 month period; 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 Pacific Access 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 regular 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 1996 is used to weight the sample to be representative of the total business population.

Interviewing for this latest (August 1998) survey was conducted over the period 23rd July to 6th August 1998. The report covers the experience over the past three months (May, June and July) and expectations for both the current quarter (August, September and October) and the 12 months ending August 1999.

### 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	—
<b>TOTAL</b>	<b>1200</b>	<b>910</b>	<b>290</b>

### Division

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

# Small Business Outlook - National Summary

## CONFIDENCE IN OWN BUSINESS PROSPECTS OVER THE NEXT 12 MONTHS

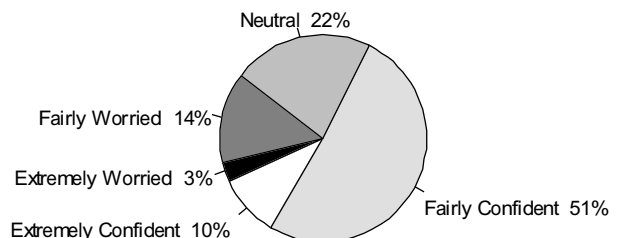
Nationally, small business confidence was lower for the second successive quarter, with the net balance falling to 44%. Nonetheless, it is still above levels recorded 12 months ago.

Across the states and territories, confidence varies and is:

- stable in New South Wales;
- lower and fluctuating in Victoria;
- double the level reported in Queensland 12 months ago;
- highest in the Northern Territory and Western Australia; and
- lowest, and sharply down, in Tasmania.

Across the sectors, only proprietors in Wholesale/Retail reported a stronger outlook. Confidence is lowest in Manufacturing and Transport/Storage.

### Overall Confidence



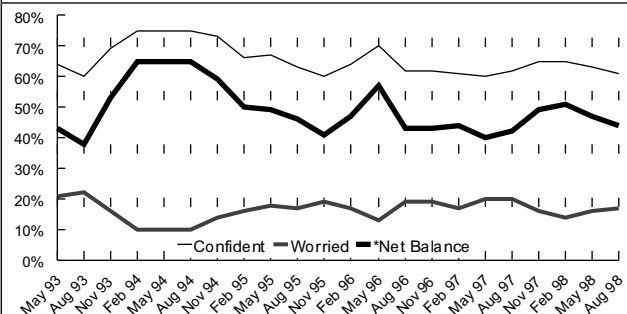
SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

### Confidence Trends - Past Five Quarters

	Aug 97	Nov 97	Feb 98	May 98	Aug 98
Extremely Confident	9%	11%	10%	10%	10%
Fairly Confident	53%	54%	54%	53%	51%
Neutral	18%	18%	21%	22%	22%
Fairly Worried	16%	14%	12%	12%	14%
Extremely Worried	4%	3%	2%	3%	3%
Total Confident	62%	65%	65%	63%	61%
Total Worried	20%	16%	14%	16%	17%
<b>*NET BALANCE</b>	<b>+42%</b>	<b>+49%</b>	<b>+51%</b>	<b>+47%</b>	<b>+44%</b>

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

### Confidence - Long-term Trends



SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

### Trends By State \*Net Balance

	Aug 97	Nov 97	Feb 98	May 98	Aug 98
NATIONAL	42%	49%	51%	47%	44%
NSW	52%	55%	57%	45%	43%
VIC	42%	50%	45%	52%	40%
QLD	23%	30%	43%	41%	45%
SA	50%	60%	61%	57%	45%
WA	48%	52%	55%	51%	50%
TAS	32%	28%	33%	34%	20%
NT	77%	77%	67%	46%	53%
ACT	31%	44%	45%	43%	40%

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

### Trends By Sector \*Net Balance

	Aug 97	Nov 97	Feb 98	May 98	Aug 98
All Businesses	42%	49%	51%	47%	44%
Manufacturing	39%	38%	49%	41%	31%
Building/Construction	45%	51%	51%	51%	44%
Wholesale/Retail	28%	37%	36%	35%	40%
Transport/Storage	32%	33%	62%	35%	33%
Business Services	54%	54%	62%	54%	47%
Personal Services	52%	61%	55%	57%	49%

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

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



## ECONOMIC OUTLOOK

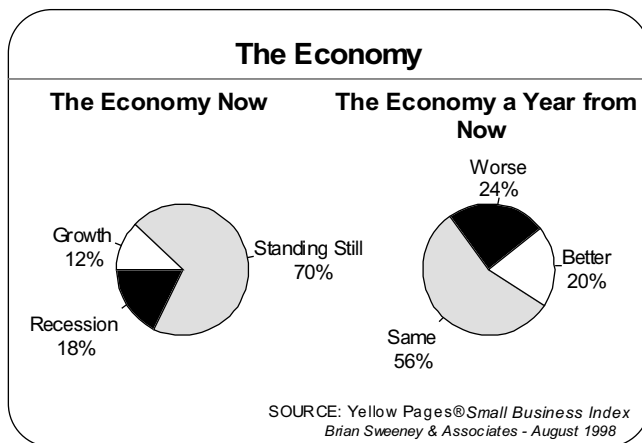
More small businesses believe the economy is now in recession than believe it to be growing. The net balance (-6%) is the worst result recorded since August 1993.

The perception of recession is strongest in Tasmania, Western Australia and Queensland.

Only in the Northern Territory and ACT do a greater proportion of small businesses see the economy growing now than see it in recession.

Expectations for an improved economy in 12 months' time have turned negative – the first negative expectation since February 1995 – and the second only since the Index began in May 1993.

Economic expectations are most negative in Western Australia and most positive among Tasmanian small businesses.



### Perceptions of the Economy - Trends

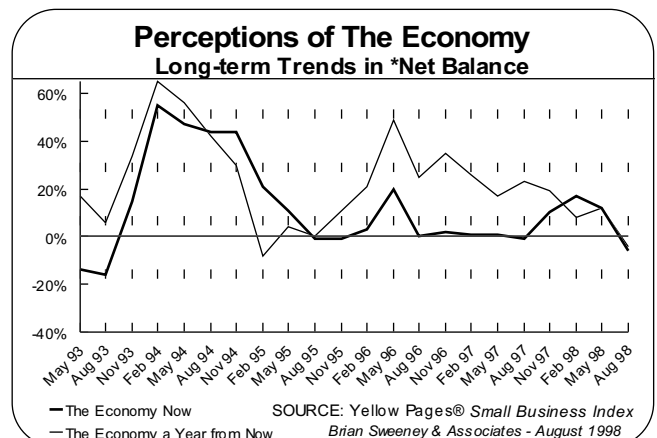
	Aug 97	Nov 97	Feb 98	May 98	Aug 98
<b>THE ECONOMY NOW</b>					
Growth	16%	22%	28%	24%	12%
Recession	17%	12%	11%	12%	18%
<b>*Net Balance</b>	<b>-1%</b>	<b>10%</b>	<b>17%</b>	<b>12%</b>	<b>-6%</b>
<b>THE ECONOMY A YEAR FROM NOW</b>					
Better	35%	34%	29%	32%	20%
Worse	12%	15%	21%	20%	24%
<b>*Net Balance</b>	<b>23%</b>	<b>19%</b>	<b>8%</b>	<b>12%</b>	<b>-4%</b>

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

### Perceptions of the Economy by State

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
<b>THE ECONOMY NOW</b>								
Growth	12%	15%	10%	8%	8%	5%	19%	15%
Recession	16%	18%	22%	15%	22%	24%	4%	13%
<b>*Net Balance</b>	<b>-4%</b>	<b>-3%</b>	<b>-12%</b>	<b>-7%</b>	<b>-14%</b>	<b>-19%</b>	<b>15%</b>	<b>2%</b>
<b>THE ECONOMY A YEAR FROM NOW</b>								
Better	23%	18%	21%	16%	10%	28%	20%	23%
Worse	22%	28%	22%	19%	33%	9%	23%	21%
<b>*Net Balance</b>	<b>1%</b>	<b>-10%</b>	<b>-1%</b>	<b>-3%</b>	<b>-23%</b>	<b>19%</b>	<b>-3%</b>	<b>2%</b>

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998



\*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 key indicators for the next 12 months showed little change in the three months to August. This finding confirms the weaker expectations for sales, employment and profitability suggested by the May survey results. Nonetheless, 60% or so of small businesses expect growth in sales and profits over the coming 12 months.

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	62%	12%	50%
Size of workforce	22%	4%	18%
Wages bill	41%	7%	34%
Prices charged	46%	3%	43%
Profitability	60%	13%	47%
Capital expenditure	34%	16%	18%

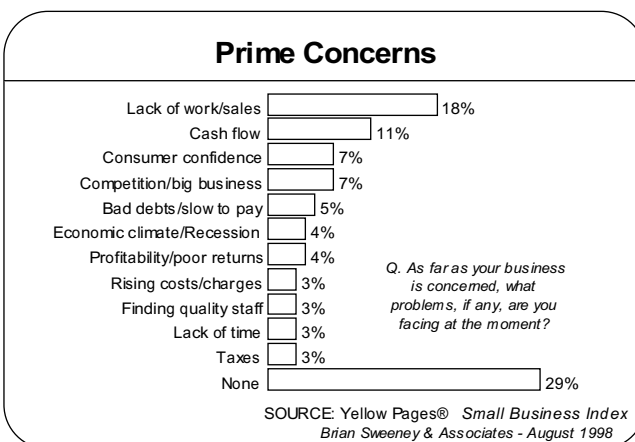
SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

	Aug 97	Nov 97	Feb 98	May 98	Aug 98
Value of sales	56%	57%	58%	51%	50%
Size of workforce	22%	22%	22%	19%	18%
Wages bill	36%	37%	38%	32%	34%
Prices charged	40%	42%	42%	42%	43%
Profitability	51%	53%	55%	46%	47%
Capital expenditure	17%	17%	19%	18%	18%

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

## CONCERNS

The proportion of small businesses reporting 'lack of work' as a prime concern for their business declined in the August survey. Lack of work, cash flow, consumer confidence and competition from big business remain the current prime concerns. The easing of concerns over lack of work is consistent with a slight rebound in small business sales in the July quarter 1998.



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

**SALES**

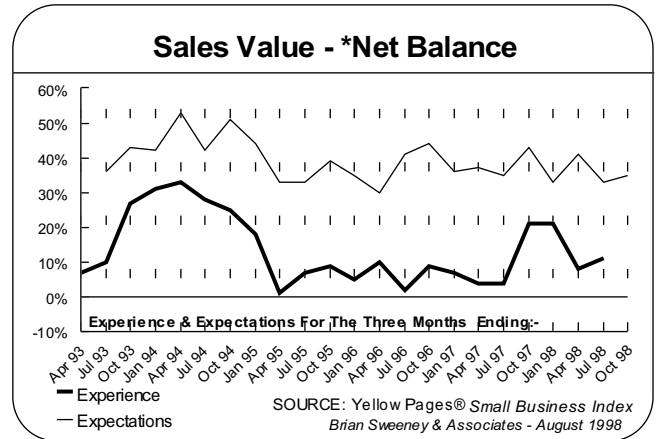
Nationally, sales growth bounced slightly in the three months ending July, following the sharp slump recorded for the previous three months.

A net 11 per cent of small business proprietors reported sales growth in the quarter ending July 1998. This result is slightly higher than that recorded in the April quarter 1998, but well below levels recorded over the summer of 1997/98.

There was a continued sharp slowdown in sales growth in South Australia. In contrast, in the Northern Territory, the net balance of proprietors reporting higher sales rose dramatically from 4 to 44 per cent in the quarter. This is the largest net balance recorded for the Territory since the Index began in May 1993 and the second largest for any state or territory.

Across the sectors, only Personal Services recorded a significant increase in the net balance reporting sales rises. Business Services weakened somewhat and the negative net balance for Transport/Storage fell again.

Expected sales growth for the three months from August to October is stable.



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



## EMPLOYMENT

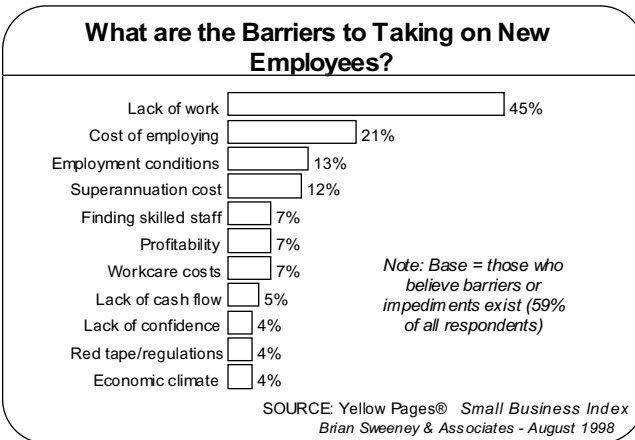
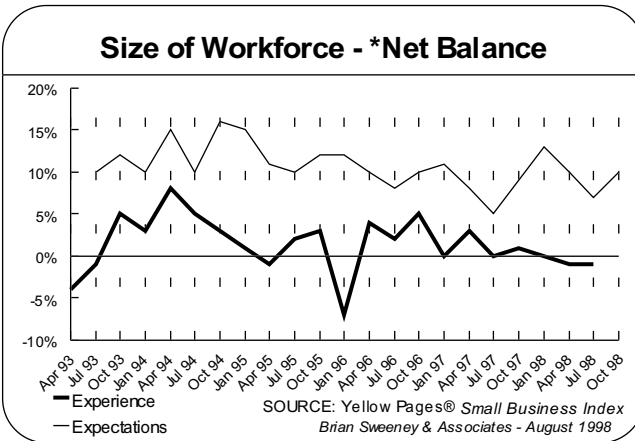
Small business employment growth remained stagnant in the July quarter 1998, with slightly more proprietors reporting reduced employment than reporting increased employment.

Employment growth was negative in the three eastern states, Western Australia and the ACT. Both South Australia and Tasmania turned around declining employment numbers to show some increase in the quarter.

No individual sector reported significant employment growth in the quarter and employment again fell significantly in Transport/Storage.

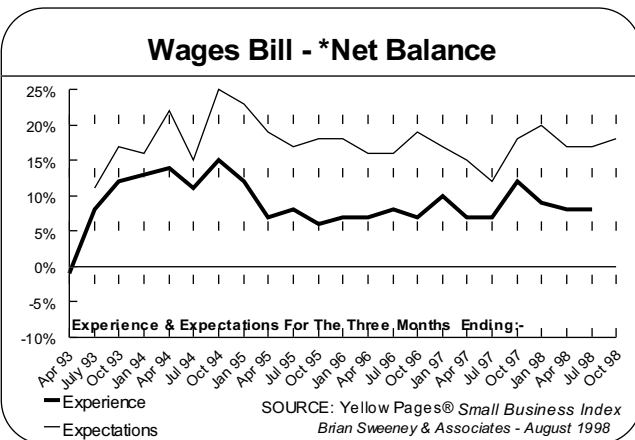
Expectations for employment growth in the October quarter firmed slightly.

Some 59% of proprietors believe there are barriers to taking on new employees. Among these, 'lack of work' remains the main impediment.



## WAGES BILL

Nationally, wages growth was stable for small businesses in the July quarter 1998. Significantly stronger growth in wages reported in the Northern Territory was offset by falls in Tasmania and Western Australia.



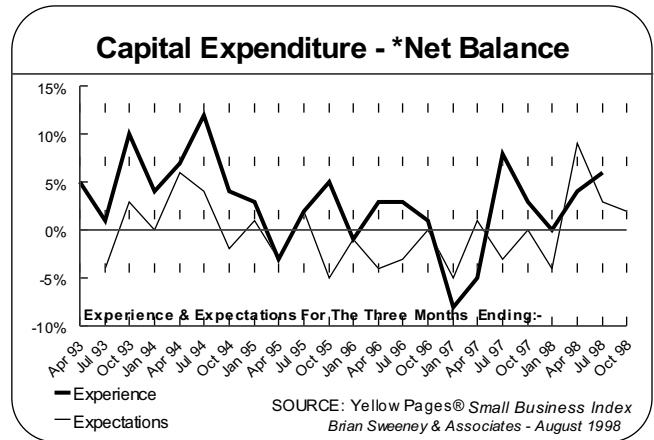
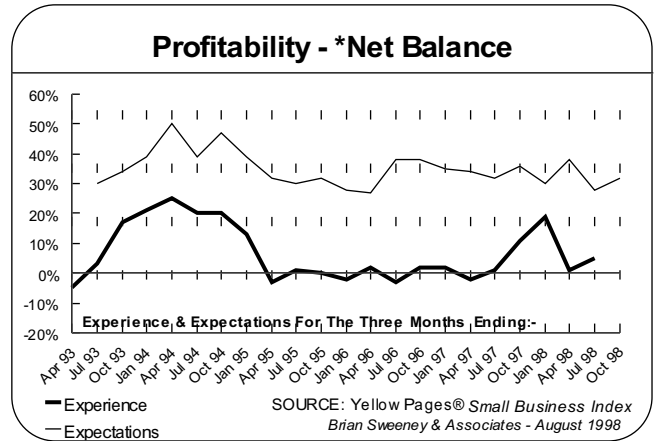
\*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

## PROFITABILITY & CAPITAL EXPENDITURE

Reflecting the small bounce back in sales growth, there was also a slight increase in the net balance of proprietors reporting increased profits in the July 1998 quarter. This increase was also reflected in expectations for the October quarter.

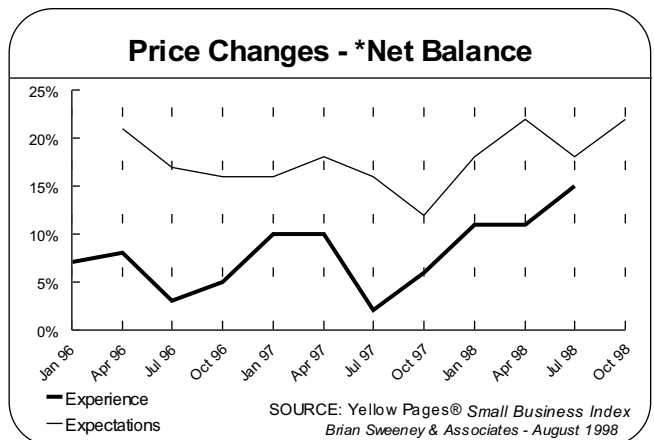
Similarly, growth in capital expenditure by small businesses increased in the past quarter. This strengthening was reported in all states and territories except New South Wales and Tasmania — and was particularly strong in the Building/Construction sector.

Despite the slightly improving experience and outlook for sales and profitability, small business proprietors expect little significant growth in capital expenditure in the next three months from August to October.



## PRICES

Reported price increases for small business Goods and Services are now at their highest level for two years. All states and territories except New South Wales reported stronger price increases than three months ago. Small businesses in Victoria, Western Australia, Tasmania and the Northern Territory reported significantly higher price increases.



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



## THE ASIAN ECONOMIC CRISIS

There has been little change in small businesses' views on the impact of the Asian crisis over the past quarter. There was a slight increase in the proportion of proprietors that experienced a negative impact from 29% in May 1998 to 32% in August 1998. Two-thirds of respondents in August 1998 believe the Asian crisis has had no effect. This is similar to the proportion recorded in May 1998 (69%).

The Transport/Storage sector remained the worst affected with almost 50% of these proprietors reporting they have been negatively affected.

### Trends on Impact of Asian Economic Crisis

	May 98	Aug 98
Major negative	6%	10%
Minor negative	23%	22%
No effect	69%	66%
Positive	2%	2%

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

### Impact by Sector and Export Status

	Positive	No Effect	Negative	Net Balance
All Businesses	2%	66%	32%	-30%
Manufacturing	3%	61%	36%	-33%
Building/Construction	1%	76%	23%	-22%
Wholesale/Retail	3%	61%	36%	-33%
Transport/Storage	6%	47%	47%	-41%
Business Services	1%	65%	34%	-33%
Personal Services	1%	74%	25%	-24%
Export overseas	3%	36%	61%	-58%
Do not export	2%	69%	29%	-27%

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

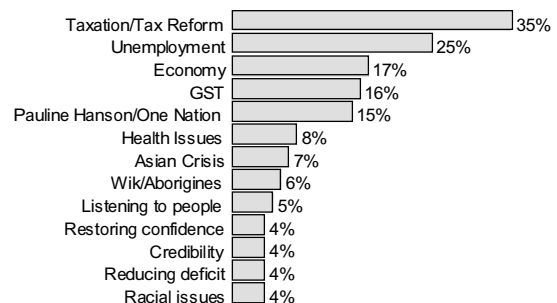
## ISSUES FACING GOVERNMENT

Proprietors were asked what are the most important issues facing government. Their unprompted responses were:

- tax reform/taxation;
- employment/reducing unemployment;
- getting the economy moving;
- GST;
- Pauline Hanson/One Nation;
- health issues/health care; and
- Asian crisis.

The first three issues have been important for some time and the Asian crisis for the past year. However, health issues emerged as a major issue for government during 1998 and One Nation only during the past quarter.

### Issues Facing Government



Q. What do you believe are the most important issues facing government at the moment?

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

## SMALL BUSINESS ISSUES

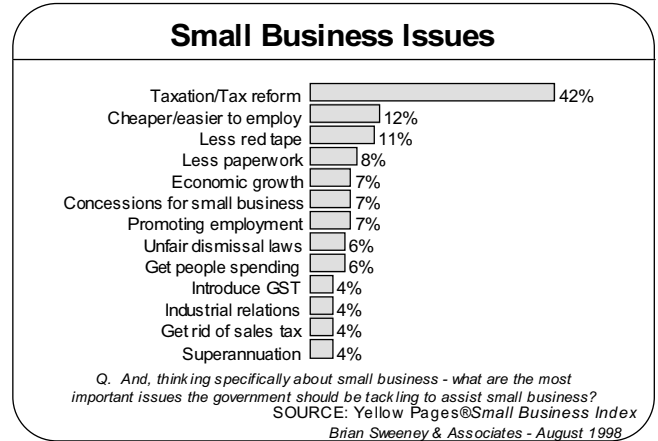
Proprietors were also asked what are the most important small business issues for government.

In August 1998, the most commonly cited issue is taxation reform (42%), which stands out by a factor of four to one over the next most important issue. However, one year ago it was cited by only 19% of small businesses.

Specific tax reforms, such as the introduction of a GST, remain a second-order consideration - as with earlier surveys.

A significant proportion of small businesses also cited removing employment impediments (12%) and reducing red tape (11%).

Reducing unemployment and employment creation (7%) remain an important issue. However, this proportion is less than half that recorded one year ago.



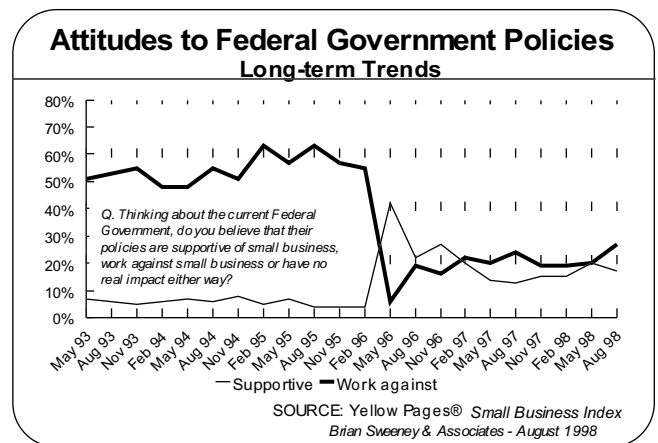
## ASSESSMENT OF FEDERAL GOVERNMENT POLICIES

Approval of Federal Government policies has slumped. Nationally, more small businesses see the Howard Government's policies as working against them than working for them. Nonetheless, most small businesses, albeit a declining proportion, continue to believe that Federal policies have no impact on the sector.

The net balance, between those who believe that Government policies are supportive of small business and those who believe they are working against small business, fell to the low levels recorded one year ago when the small business ministry was upgraded to senior Cabinet level.

The assessment of Federal policies is most negative in Western Australia and the ACT.

Only in Tasmania and the Northern Territory do the number of positive assessments outweigh the disapprovals.



	May 97	Aug 97	Nov 97	Feb 98	May 98	Aug 98
Supportive	14%	13%	15%	15%	20%	17%
Work against	20%	24%	19%	19%	20%	27%
No impact	66%	63%	66%	66%	60%	56%
<b>*Net Balance</b>	<b>-6%</b>	<b>-11%</b>	<b>-4%</b>	<b>-4%</b>	<b>0%</b>	<b>-10%</b>

SOURCE: Yellow Pages® Small Business Index  
 Brian Sweeney & Associates - August 1998



## ASSESSMENT OF STATE/TERRITORY GOVERNMENT POLICIES

Approval of state or territory government policies is strongest in the Northern Territory and in Victoria.

In the Northern Territory, proprietors believe the Territory Government policies make a difference to small business — only 25% believe the Stone Government has no impact on small business. This contrasts with the views of small businesses in other states and territories. Nationally, 62% of small businesses and 77% of Queensland small businesses believe their state or territory government’s policies have no effect.

In Victoria, approval of Kennett Government policies has firmed substantially over the past three months.

In Tasmania, where the State election will be held shortly, more small businesses see the Government’s policies as working against them than see them as supportive. This assessment has not changed over the past three months.

### Attitudes to State Government Policies

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Supportive	4%	40%	9%	8%	13%	13%	59%	33%
Work against	28%	12%	14%	20%	21%	32%	16%	21%
No impact	68%	48%	77%	72%	66%	55%	25%	46%
<b>*Net Balance</b>	<b>-24%</b>	<b>28%</b>	<b>-5%</b>	<b>-12%</b>	<b>-8%</b>	<b>-19%</b>	<b>43%</b>	<b>12%</b>

SOURCE: Yellow Pages® *Small Business Index*  
Brian Sweeney & Associates - August 1998

## OPINIONS ON KEY ISSUES

Small business proprietors were asked their attitude to a range of current policy issues. Responses showed:

- small businesses support the one-third sale of Telstra but are split on the sale of up to 49% of it;
- over 67% oppose the full sale of Telstra;
- 61% oppose the privatisation of Australia Post;
- 54% oppose the corporatisation and privatisation of electricity, gas and water services;
- small businesses are roughly evenly split on the issue of increasing immigration, with small businesses in Victoria most in favour of an increase;
- support for reform of the tax system is overwhelming (90%); and
- while only 16% of small businesses spontaneously mentioned the introduction of a GST as an important issue facing government, when prompted most (55%) would support it.

### Opinions on Key Issues (I)

Attitude to:-	In Favour	Neutral	Against
The one third sell off of Telstra which has already taken place	57%	14%	29%
A further partial sell off of Telstra to take private ownership to 49%	48%	12%	40%
A further sell off of the whole of Telstra	21%	12%	67%
The privatisation of Australia Post	25%	14%	61%

SOURCE: Yellow Pages® *Small Business Index*  
Brian Sweeney & Associates - August 1998

### Opinions on Key Issues (II)

Attitude to:-	In Favour	Neutral	Against
The corporatisation or privatisation of electricity, gas and water services	33%	13%	54%
Increasing the number of migrants allowed into Australia	38%	21%	41%
Reform of our tax system	90%	6%	4%
The introduction of a broad based consumption tax such as a GST	55%	16%	29%

SOURCE: Yellow Pages® *Small Business Index*  
Brian Sweeney & Associates - August 1998

## VOTING INTENTIONS

The voting intentions of small business proprietors show a dramatic fall in Federal Coalition support. More than half of the 24 percentage point loss of support for the Coalition since the March 1996 election has occurred in the past three months.

- In the run-up to the last Federal election, some two-thirds of small businesses intended to vote for the Coalition and the same proportion reported actually doing so.
- By May 1997, support had fallen to a little more than half and was around that level in May 1998.
- In early August 1998, only 41% of small business proprietors would definitely vote for the Liberal or National parties, if an election were held tomorrow.

Over the past three years, the proportion of proprietors who are undecided regarding their voting intentions has increased by 15 percentage points and those supporting One Nation has increased by 10 percentage points.

- Between November 1995 and May 1998 when support for the Coalition fell by 10 percentage points, the proportion undecided increased correspondingly.
- Between May and August 1998, when Coalition support fell a further 14 percentage points, those undecided rose by six percentage points and support for One Nation rose by eight percentage points.

Small businesses were asked to recall their voting intentions of three months ago. Two-thirds believe they would have voted for the Coalition. These responses are consistent with their voting intentions in November 1995 and their subsequently reported voting behaviour in the Federal Election, rather than their recorded voting intentions in the May '98 survey (three months ago). The May survey put this figure at 55%.

Across the states and territories, Coalition support is highest in Tasmania and the Northern Territory (55% each) and lowest in ACT (35%). Support for the Federal Labor Party among small businesses is strongest in the ACT (34%) and Victoria (24%).

Some 17% of Queensland small businesses would vote for One Nation compared with only 2% in Tasmania, 4% in the Northern Territory and 5% in Victoria.

### Party Would Vote for Tomorrow Trends

	Nov 95	May 97	May 98	Aug 98
Liberal	61%	50%	52%	40%
National	4%	5%	3%	1%
ALP	14%	16%	15%	16%
Democrat	2%	3%	4%	3%
One Nation	N/A	2%	2%	10%
Other	5%	5%	3%	5%
Undecided	10%	17%	19%	25%
Refused	3%	2%	2%	0%

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

### Party Would Vote for Tomorrow by State

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Liberal	40%	41%	38%	46%	35%	55%	55%	35%
National	1%	1%	2%	0%	1%	0%	0%	0%
ALP	12%	24%	15%	11%	14%	14%	18%	34%
Democrat	5%	1%	3%	5%	0%	2%	0%	5%
One Nation	11%	5%	17%	10%	12%	2%	4%	7%
Other	5%	5%	3%	7%	2%	3%	5%	3%
Undecided	26%	23%	22%	21%	36%	24%	18%	16%

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

Support for the Labor Party is notably stronger in metropolitan areas while, in contrast, support for One Nation is stronger in non-metropolitan areas.

Proprietors were asked why they changed their voting intentions over the past three months. The top four unprompted responses cited were:

- 'They haven't done anything/nothing happening/too much talk not enough action';
- 'Don't like the idea of GST';
- 'Lack of leadership'; and
- 'Haven't the faith in major parties'.

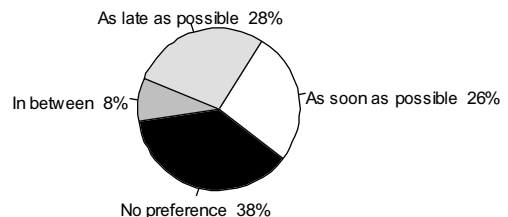
## ELECTION TIMING PREFERENCE

Preferences for the timing of the Federal election were reasonably evenly distributed. Around one-quarter of respondents reported each of 'as late as possible' and 'as early as possible'. Thirty-eight per cent had no preference.

Those wanting an election 'as soon as possible' thought that it was important to 'get it out of the way' (44%) and it would 'help restore consumer confidence' (23%). Those who believed it should be 'as late as possible' considered that 'governments should run their full term' (48%) and a proportion 'needed time to look at policies' (30%).

### Preference on Election Timing

Q : The Government has the option of calling a Federal Election at any time before May next year. Would you prefer to see the election called....



SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

## THE ONE NATION PARTY

Small business proprietors were asked their opinions on the impact of One Nation obtaining more power.

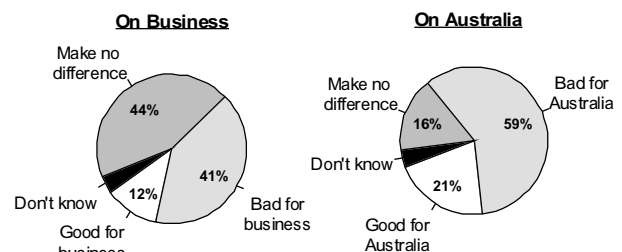
A clear majority see this as bad for Australia.

Those who believed that One Nation becoming more of a force would be bad for Australia cited 'negative repercussions overseas', 'they are divisive/split the population' and 'people believe they are racist/perceived as racist'. Those that thought it would be good cited that One Nation 'will make politicians take notice/listen' and that One Nation will 'shake the two major parties up a bit'.

Very few proprietors believe it would be good for business if One Nation was to become a bigger force in Australian politics.

Those who believe this development would be bad for business cited 'not good for country', 'causes social unrest/division' and 'businesses who deal with Asia will suffer'. Those who thought it would be good, cited that One Nation 'knows the problems we're facing' and that One Nation 'will shake them up/wake them up'.

### Impact if One Nation Were to Become More of a Force in Australian Politics



Q : If One Nation were to become more of a force in Australian politics would it be good for business/Australia, bad for business/Australia or make no real difference?

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

### Perceived Impact by Location

	On Business			Australia		
	Good	Bad	Net Impact	Good	Bad	Net Impact
NSW	12%	41%	-29%	22%	59%	-37%
VIC	8%	53%	-45%	11%	74%	-63%
QLD	21%	32%	-11%	32%	48%	-16%
SA	8%	32%	-24%	18%	53%	-35%
WA	9%	34%	-25%	29%	49%	-20%
TAS	6%	44%	-38%	17%	58%	-41%
NT	11%	47%	-36%	20%	68%	-48%
ACT	14%	45%	-31%	20%	64%	-44%
Metro	8%	45%	-37%	17%	63%	-46%
Non Metro	21%	33%	-12%	30%	53%	-23%

SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - August 1998

# Small Business Outlook - National

- Confidence down but above levels of a year earlier.
- Sales and profits rebound slightly.
- Prices strongest for past two years.
- Federal Government seen as working against small business.

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1997	NOV 1997	FEB 1998	MAY 1998	AUG 1998					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	62	65	65	63	61					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	20	16	14	16	17					
	<b>NET BALANCE</b>	<b>+42</b>	<b>+49</b>	<b>+51</b>	<b>+47</b>	<b>+44</b>					
		<b>ACTUAL EXPERIENCE DURING:</b>					<b>EXPECTATIONS FOR:</b>				
		MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	36	44	45	38	39	51	47	52	44	45
	DECREASE	31	23	24	30	28	8	14	11	11	10
	<b>NET BALANCE</b>	<b>+5</b>	<b>+21</b>	<b>+21</b>	<b>+8</b>	<b>+11</b>	<b>+43</b>	<b>+33</b>	<b>+41</b>	<b>+33</b>	<b>+35</b>
SIZE OF WORKFORCE:	INCREASE	12	12	11	11	12	13	16	13	11	13
	DECREASE	12	11	11	12	13	4	3	3	4	3
	<b>NET BALANCE</b>	<b>0</b>	<b>+1</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>+9</b>	<b>+13</b>	<b>+10</b>	<b>+7</b>	<b>+10</b>
WAGES BILL:	INCREASE	21	23	22	21	21	23	25	23	23	23
	DECREASE	14	11	13	13	13	5	5	6	6	5
	<b>NET BALANCE</b>	<b>+7</b>	<b>+12</b>	<b>+9</b>	<b>+8</b>	<b>+8</b>	<b>+18</b>	<b>+20</b>	<b>+17</b>	<b>+17</b>	<b>+18</b>
PRICES:	INCREASE	15	15	18	20	20	17	20	26	21	25
	DECREASE	13	9	7	9	5	5	3	4	3	3
	<b>NET BALANCE</b>	<b>+2</b>	<b>+6</b>	<b>+11</b>	<b>+11</b>	<b>+15</b>	<b>+12</b>	<b>+18</b>	<b>+22</b>	<b>+18</b>	<b>+22</b>
PROFITABILITY:	INCREASE	31	38	40	32	34	45	45	49	42	42
	DECREASE	30	27	21	31	29	9	15	11	14	10
	<b>NET BALANCE</b>	<b>+1</b>	<b>+11</b>	<b>+19</b>	<b>+1</b>	<b>+5</b>	<b>+36</b>	<b>+30</b>	<b>+38</b>	<b>+28</b>	<b>+32</b>
CAPITAL EXPENDITURE:	INCREASE	26	23	20	23	25	23	19	26	24	21
	DECREASE	18	20	20	19	19	23	23	17	21	19
	<b>NET BALANCE</b>	<b>+8</b>	<b>+3</b>	<b>0</b>	<b>+4</b>	<b>+6</b>	<b>0</b>	<b>-4</b>	<b>+9</b>	<b>+3</b>	<b>+2</b>

\* 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 continues to fall.
- Sales and profits rebound slightly.
- Employment continues to fall.

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1997	NOV 1997	FEB 1998	MAY 1998	AUG 1998					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	69	71	71	61	61					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	17	16	14	16	18					
	<b>NET BALANCE</b>	<b>+52</b>	<b>+55</b>	<b>+57</b>	<b>+45</b>	<b>+43</b>					
		<b>ACTUAL EXPERIENCE DURING:</b>					<b>EXPECTATIONS FOR:</b>				
		MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	38	45	46	36	40	54	47	62	45	46
	DECREASE	27	18	22	27	28	9	12	9	7	8
	<b>NET BALANCE</b>	<b>+11</b>	<b>+27</b>	<b>+24</b>	<b>+9</b>	<b>+12</b>	<b>+45</b>	<b>+35</b>	<b>+53</b>	<b>+38</b>	<b>+38</b>
SIZE OF WORKFORCE:	INCREASE	15	11	8	10	13	13	16	11	14	14
	DECREASE	12	13	11	12	15	4	2	4	4	4
	<b>NET BALANCE</b>	<b>+3</b>	<b>-2</b>	<b>-3</b>	<b>-2</b>	<b>-2</b>	<b>+9</b>	<b>+14</b>	<b>+7</b>	<b>+10</b>	<b>+10</b>
WAGES BILL:	INCREASE	22	23	23	22	21	26	27	24	26	25
	DECREASE	12	12	13	13	12	4	4	8	5	5
	<b>NET BALANCE</b>	<b>+10</b>	<b>+11</b>	<b>+10</b>	<b>+9</b>	<b>+9</b>	<b>+22</b>	<b>+23</b>	<b>+16</b>	<b>+21</b>	<b>+20</b>
PRICES:	INCREASE	15	12	20	22	16	16	21	24	25	24
	DECREASE	14	10	5	5	4	5	2	3	4	4
	<b>NET BALANCE</b>	<b>+1</b>	<b>+2</b>	<b>+15</b>	<b>+17</b>	<b>+12</b>	<b>+11</b>	<b>+19</b>	<b>+21</b>	<b>+21</b>	<b>+20</b>
PROFITABILITY:	INCREASE	32	39	41	30	34	47	50	60	44	44
	DECREASE	25	23	18	28	29	9	14	8	13	7
	<b>NET BALANCE</b>	<b>+7</b>	<b>+16</b>	<b>+23</b>	<b>+2</b>	<b>+5</b>	<b>+38</b>	<b>+36</b>	<b>+52</b>	<b>+31</b>	<b>+37</b>
CAPITAL EXPENDITURE:	INCREASE	27	21	24	28	25	25	18	26	24	23
	DECREASE	15	19	19	19	21	16	26	17	20	15
	<b>NET BALANCE</b>	<b>+12</b>	<b>+2</b>	<b>+5</b>	<b>+9</b>	<b>+4</b>	<b>+9</b>	<b>-8</b>	<b>+9</b>	<b>+4</b>	<b>+8</b>

\* 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 falls back again.
- Sales and profits rebound, expectations stronger.
- Price increases sharply up.

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1997	NOV 1997	FEB 1998	MAY 1998	AUG 1998					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	61	66	59	65	58					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	19	16	14	13	18					
	<b>NET BALANCE</b>	<b>+42</b>	<b>+50</b>	<b>+45</b>	<b>+52</b>	<b>+40</b>					
		<b>ACTUAL EXPERIENCE DURING:</b>					<b>EXPECTATIONS FOR:</b>				
		MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	37	45	46	40	43	48	51	49	41	45
	DECREASE	29	29	22	34	29	6	13	13	14	14
	<b>NET BALANCE</b>	<b>+8</b>	<b>+16</b>	<b>+24</b>	<b>+6</b>	<b>+14</b>	<b>+42</b>	<b>+38</b>	<b>+36</b>	<b>+27</b>	<b>+31</b>
SIZE OF WORKFORCE:	INCREASE	15	13	12	10	12	14	19	19	8	12
	DECREASE	9	9	10	10	14	5	3	1	5	2
	<b>NET BALANCE</b>	<b>+6</b>	<b>+4</b>	<b>+2</b>	<b>0</b>	<b>-2</b>	<b>+9</b>	<b>+16</b>	<b>+18</b>	<b>+3</b>	<b>+10</b>
WAGES BILL:	INCREASE	23	20	22	22	24	22	29	25	21	21
	DECREASE	14	9	8	12	12	4	5	5	7	6
	<b>NET BALANCE</b>	<b>+9</b>	<b>+11</b>	<b>+14</b>	<b>+10</b>	<b>+12</b>	<b>+18</b>	<b>+24</b>	<b>+20</b>	<b>+14</b>	<b>+15</b>
PRICES:	INCREASE	16	16	16	19	24	19	24	27	18	27
	DECREASE	13	9	8	13	4	5	1	4	1	2
	<b>NET BALANCE</b>	<b>+3</b>	<b>+7</b>	<b>+8</b>	<b>+6</b>	<b>+20</b>	<b>+14</b>	<b>+23</b>	<b>+23</b>	<b>+17</b>	<b>+25</b>
PROFITABILITY:	INCREASE	32	40	42	36	37	42	49	47	41	44
	DECREASE	28	30	20	34	29	9	15	15	17	11
	<b>NET BALANCE</b>	<b>+4</b>	<b>+10</b>	<b>+22</b>	<b>+2</b>	<b>+8</b>	<b>+33</b>	<b>+34</b>	<b>+32</b>	<b>+24</b>	<b>+33</b>
CAPITAL EXPENDITURE:	INCREASE	27	24	17	23	25	24	23	25	25	22
	DECREASE	14	23	19	16	15	30	19	17	18	18
	<b>NET BALANCE</b>	<b>+13</b>	<b>+1</b>	<b>-2</b>	<b>+7</b>	<b>+10</b>	<b>-6</b>	<b>+4</b>	<b>+8</b>	<b>+7</b>	<b>+4</b>

\* 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 continues to rebuild.
- Sales and profits rebound.
- Capital expenditure rebounds sharply.

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1997	NOV 1997	FEB 1998	MAY 1998	AUG 1998					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	49	51	59	62	62					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	26	21	16	21	17					
	<b>NET BALANCE</b>	<b>+23</b>	<b>+30</b>	<b>+43</b>	<b>+41</b>	<b>+45</b>					
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	34	42	45	40	40	51	40	48	51	46
	DECREASE	39	27	27	28	21	10	21	14	10	8
	<b>NET BALANCE</b>	<b>-5</b>	<b>+15</b>	<b>+18</b>	<b>+12</b>	<b>+19</b>	<b>+41</b>	<b>+19</b>	<b>+34</b>	<b>+41</b>	<b>+38</b>
SIZE OF WORKFORCE:	INCREASE	8	15	14	14	10	15	15	12	11	12
	DECREASE	17	12	12	15	11	6	8	5	2	5
	<b>NET BALANCE</b>	<b>-9</b>	<b>+3</b>	<b>+2</b>	<b>-1</b>	<b>-1</b>	<b>+9</b>	<b>+7</b>	<b>+7</b>	<b>+9</b>	<b>+7</b>
WAGES BILL:	INCREASE	16	27	22	23	18	23	20	23	21	22
	DECREASE	18	10	20	18	14	7	9	7	4	6
	<b>NET BALANCE</b>	<b>-2</b>	<b>+17</b>	<b>+2</b>	<b>+5</b>	<b>+4</b>	<b>+16</b>	<b>+11</b>	<b>+16</b>	<b>+17</b>	<b>+16</b>
PRICES:	INCREASE	10	15	19	17	18	15	16	27	17	19
	DECREASE	12	8	11	11	7	3	3	5	2	2
	<b>NET BALANCE</b>	<b>-2</b>	<b>+7</b>	<b>+8</b>	<b>+6</b>	<b>+11</b>	<b>+12</b>	<b>+13</b>	<b>+22</b>	<b>+15</b>	<b>+17</b>
PROFITABILITY:	INCREASE	26	37	40	34	33	44	36	45	43	40
	DECREASE	39	31	24	29	25	10	22	14	13	10
	<b>NET BALANCE</b>	<b>-13</b>	<b>+6</b>	<b>+16</b>	<b>+5</b>	<b>+8</b>	<b>+34</b>	<b>+14</b>	<b>+31</b>	<b>+30</b>	<b>+30</b>
CAPITAL EXPENDITURE:	INCREASE	24	28	19	18	28	21	18	28	24	22
	DECREASE	25	21	24	20	18	28	29	20	24	22
	<b>NET BALANCE</b>	<b>-1</b>	<b>+7</b>	<b>-5</b>	<b>-2</b>	<b>+10</b>	<b>-7</b>	<b>-11</b>	<b>+8</b>	<b>0</b>	<b>0</b>

\* 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 - SA

- Confidence slumps after three strong quarters.
- Sales growth falls and profits decline, expectations strengthening.
- Employment growth up strongly.
- Prices rising and expected to continue.
- Capital expenditure rebounds.

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

SOURCE: Yellow Pages®  
Small Business Index

		<u>AUG 1997</u>	<u>NOV 1997</u>	<u>FEB 1998</u>	<u>MAY 1998</u>	<u>AUG 1998</u>					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	66	71	67	66	60					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	16	11	6	9	15					
	<b>NET BALANCE</b>	<b>+50</b>	<b>+60</b>	<b>+61</b>	<b>+57</b>	<b>+45</b>					
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		<u>MAY-JUL</u>	<u>AUG-OCT</u>	<u>NOV-JAN</u>	<u>FEB-APR</u>	<u>MAY-JUL</u>	<u>AUG-OCT</u>	<u>NOV-JAN</u>	<u>FEB-APR</u>	<u>MAY-JUL</u>	<u>AUG-OCT</u>
		<u>1997</u>	<u>1997</u>	<u>97/98</u>	<u>1998</u>	<u>1998</u>	<u>1997</u>	<u>97/98</u>	<u>1998</u>	<u>1998</u>	<u>1998</u>
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	29	40	39	36	30	46	51	45	40	43
	DECREASE	30	23	23	27	29	13	7	7	12	7
	<b>NET BALANCE</b>	<b>-1</b>	<b>+17</b>	<b>+16</b>	<b>+9</b>	<b>+1</b>	<b>+33</b>	<b>+44</b>	<b>+38</b>	<b>+28</b>	<b>+36</b>
SIZE OF WORKFORCE:	INCREASE	6	10	14	10	11	11	18	11	11	11
	DECREASE	12	11	8	14	6	4	2	1	3	2
	<b>NET BALANCE</b>	<b>-6</b>	<b>-1</b>	<b>+6</b>	<b>-4</b>	<b>+5</b>	<b>+7</b>	<b>+16</b>	<b>+10</b>	<b>+8</b>	<b>+9</b>
WAGES BILL:	INCREASE	20	19	25	20	21	20	20	19	16	21
	DECREASE	17	15	12	11	10	8	3	3	7	6
	<b>NET BALANCE</b>	<b>+3</b>	<b>+4</b>	<b>+13</b>	<b>+9</b>	<b>+11</b>	<b>+12</b>	<b>+17</b>	<b>+16</b>	<b>+9</b>	<b>+15</b>
PRICES:	INCREASE	16	21	19	23	26	18	20	26	20	33
	DECREASE	7	8	6	9	5	5	1	2	2	3
	<b>NET BALANCE</b>	<b>+9</b>	<b>+13</b>	<b>+13</b>	<b>+14</b>	<b>+21</b>	<b>+13</b>	<b>+19</b>	<b>+24</b>	<b>+18</b>	<b>+30</b>
PROFITABILITY:	INCREASE	25	32	33	28	27	41	42	45	35	43
	DECREASE	30	26	23	28	33	13	5	9	13	7
	<b>NET BALANCE</b>	<b>-5</b>	<b>+6</b>	<b>+13</b>	<b>0</b>	<b>-6</b>	<b>+28</b>	<b>+37</b>	<b>+36</b>	<b>+22</b>	<b>+36</b>
CAPITAL EXPENDITURE:	INCREASE	21	18	18	18	22	23	15	25	23	11
	DECREASE	29	18	15	22	15	18	14	16	22	16
	<b>NET BALANCE</b>	<b>-8</b>	<b>0</b>	<b>+3</b>	<b>-4</b>	<b>+7</b>	<b>+5</b>	<b>+1</b>	<b>+9</b>	<b>+1</b>	<b>-5</b>

\* 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

- Sales and profits growth remains negative; outlook is for no immediate turnaround.
- Employment down.
- Prices up sharply.
- State Government still considered to be working against small business.

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1997	NOV 1997	FEB 1998	MAY 1998	AUG 1998					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	67	65	69	66	66					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	19	13	14	15	16					
	<b>NET BALANCE</b>	<b>+48</b>	<b>+52</b>	<b>+55</b>	<b>+51</b>	<b>+50</b>					
		<b>ACTUAL EXPERIENCE DURING:</b>					<b>EXPECTATIONS FOR:</b>				
		MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	38	42	39	32	32	58	47	41	40	41
	DECREASE	35	22	28	41	38	5	10	7	16	13
	<b>NET BALANCE</b>	<b>+3</b>	<b>+20</b>	<b>+11</b>	<b>-9</b>	<b>-6</b>	<b>+53</b>	<b>+37</b>	<b>+34</b>	<b>+24</b>	<b>+28</b>
SIZE OF WORKFORCE:	INCREASE	11	10	12	13	10	11	12	10	8	12
	DECREASE	7	12	12	10	15	2	0	2	5	1
	<b>NET BALANCE</b>	<b>+4</b>	<b>-2</b>	<b>0</b>	<b>+3</b>	<b>-5</b>	<b>+9</b>	<b>+12</b>	<b>+8</b>	<b>+3</b>	<b>+11</b>
WAGES BILL:	INCREASE	21	22	14	15	17	19	23	17	21	21
	DECREASE	13	11	11	13	21	2	2	5	9	3
	<b>NET BALANCE</b>	<b>+8</b>	<b>+11</b>	<b>+3</b>	<b>+2</b>	<b>-4</b>	<b>+17</b>	<b>+21</b>	<b>+12</b>	<b>+12</b>	<b>+18</b>
PRICES:	INCREASE	17	20	16	20	25	19	14	34	19	26
	DECREASE	11	7	8	8	2	7	5	2	9	3
	<b>NET BALANCE</b>	<b>+6</b>	<b>+13</b>	<b>+8</b>	<b>+12</b>	<b>+23</b>	<b>+12</b>	<b>+9</b>	<b>+32</b>	<b>+10</b>	<b>+23</b>
PROFITABILITY:	INCREASE	34	36	37	34	31	51	44	30	39	34
	DECREASE	32	26	25	40	37	5	11	11	15	14
	<b>NET BALANCE</b>	<b>+2</b>	<b>+10</b>	<b>+12</b>	<b>-6</b>	<b>-6</b>	<b>+46</b>	<b>+33</b>	<b>+19</b>	<b>+24</b>	<b>+20</b>
CAPITAL EXPENDITURE:	INCREASE	26	23	15	21	26	15	16	20	19	17
	DECREASE	16	22	20	25	22	24	24	9	26	26
	<b>NET BALANCE</b>	<b>+10</b>	<b>+1</b>	<b>-5</b>	<b>-4</b>	<b>+4</b>	<b>-9</b>	<b>-8</b>	<b>+11</b>	<b>-7</b>	<b>-9</b>

\* 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 fell sharply.
- Sales and profits sharply down, expect rebound.
- Prices up.

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1997	NOV 1997	FEB 1998	MAY 1998	AUG 1998
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE	54	47	51	53	44
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	22	19	18	19	24
	<b>NETBALANCE</b>	<b>+32</b>	<b>+28</b>	<b>+33</b>	<b>+34</b>	<b>+20</b>
<b>ACTUAL EXPERIENCE DURING:</b>						
		MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998
		%	%	%	%	%
<b>EXPECTATIONS FOR:</b>						
		AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998
		%	%	%	%	%
SALES VALUE:	INCREASE	27	50	43	33	24
	DECREASE	41	29	24	30	35
	<b>NETBALANCE</b>	<b>-14</b>	<b>+21</b>	<b>+19</b>	<b>+3</b>	<b>-11</b>
		<b>+36</b>	<b>+44</b>	<b>+29</b>	<b>+10</b>	<b>+21</b>
SIZE OF WORKFORCE:	INCREASE	4	8	13	5	11
	DECREASE	17	10	9	12	10
	<b>NETBALANCE</b>	<b>-13</b>	<b>-2</b>	<b>+4</b>	<b>-7</b>	<b>+1</b>
		<b>+2</b>	<b>+3</b>	<b>+1</b>	<b>+8</b>	<b>-2</b>
WAGES BILL:	INCREASE	21	19	18	21	20
	DECREASE	18	14	8	10	13
	<b>NETBALANCE</b>	<b>+3</b>	<b>+5</b>	<b>+10</b>	<b>+11</b>	<b>+7</b>
		<b>+7</b>	<b>+8</b>	<b>+8</b>	<b>+11</b>	<b>+11</b>
PRICES:	INCREASE	15	17	25	23	31
	DECREASE	7	5	8	6	4
	<b>NETBALANCE</b>	<b>+8</b>	<b>+12</b>	<b>+17</b>	<b>+17</b>	<b>+27</b>
		<b>+15</b>	<b>+22</b>	<b>+25</b>	<b>+12</b>	<b>+31</b>
PROFITABILITY:	INCREASE	24	48	42	31	21
	DECREASE	47	25	30	27	29
	<b>NETBALANCE</b>	<b>-23</b>	<b>+23</b>	<b>+12</b>	<b>+4</b>	<b>-8</b>
		<b>+34</b>	<b>+32</b>	<b>+31</b>	<b>+4</b>	<b>+21</b>
CAPITAL EXPENDITURE:	INCREASE	20	10	24	18	18
	DECREASE	30	14	17	21	25
	<b>NETBALANCE</b>	<b>-10</b>	<b>-4</b>	<b>+7</b>	<b>-3</b>	<b>-7</b>
		<b>0</b>	<b>-5</b>	<b>+9</b>	<b>-21</b>	<b>-14</b>

\* 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 recovered somewhat.
- Sales and profits showed extraordinary growth.
- Employment continues to show strong growth.
- Capital expenditure growth strong.

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

SOURCE: Yellow Pages®  
Small Business Index

		<u>AUG 1997</u>	<u>NOV 1997</u>	<u>FEB 1998</u>	<u>MAY 1998</u>	<u>AUG 1998</u>					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	85	84	80	62	65					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	8	7	13	16	12					
	<b>NET BALANCE</b>	<b>+77</b>	<b>+77</b>	<b>+67</b>	<b>+46</b>	<b>+53</b>					
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		<u>MAY-JUL</u>	<u>AUG-OCT</u>	<u>NOV-JAN</u>	<u>FEB-APR</u>	<u>MAY-JUL</u>	<u>AUG-OCT</u>	<u>NOV-JAN</u>	<u>FEB-APR</u>	<u>MAY-JUL</u>	<u>AUG-OCT</u>
		<u>1997</u>	<u>1997</u>	<u>97/98</u>	<u>1998</u>	<u>1998</u>	<u>1997</u>	<u>97/98</u>	<u>1998</u>	<u>1998</u>	<u>1998</u>
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	44	38	33	39	56	53	31	67	61	48
	DECREASE	29	13	39	35	12	11	22	5	4	6
	<b>NET BALANCE</b>	<b>+15</b>	<b>+25</b>	<b>-6</b>	<b>+4</b>	<b>+44</b>	<b>+42</b>	<b>+9</b>	<b>+62</b>	<b>+57</b>	<b>+42</b>
SIZE OF WORKFORCE:	INCREASE	37	12	19	24	24	10	24	33	25	12
	DECREASE	11	21	11	17	14	8	10	3	4	5
	<b>NET BALANCE</b>	<b>+26</b>	<b>-9</b>	<b>+8</b>	<b>+7</b>	<b>+10</b>	<b>+2</b>	<b>+14</b>	<b>+30</b>	<b>+21</b>	<b>+7</b>
WAGES BILL:	INCREASE	34	17	21	30	35	15	26	44	34	22
	DECREASE	14	12	23	18	10	11	19	6	7	7
	<b>NET BALANCE</b>	<b>+20</b>	<b>+5</b>	<b>-2</b>	<b>+12</b>	<b>+25</b>	<b>+4</b>	<b>+7</b>	<b>+38</b>	<b>+27</b>	<b>+15</b>
PRICES :	INCREASE	13	14	17	20	26	23	18	22	28	27
	DECREASE	12	3	9	12	7	3	1	2	2	2
	<b>NET BALANCE</b>	<b>+1</b>	<b>+11</b>	<b>+8</b>	<b>+8</b>	<b>+19</b>	<b>+20</b>	<b>+17</b>	<b>+20</b>	<b>+26</b>	<b>+25</b>
PROFITABILITY:	INCREASE	39	33	34	36	48	49	23	58	57	48
	DECREASE	18	18	37	34	12	16	20	5	4	11
	<b>NET BALANCE</b>	<b>+21</b>	<b>+15</b>	<b>-3</b>	<b>+2</b>	<b>+36</b>	<b>+33</b>	<b>+3</b>	<b>+53</b>	<b>+53</b>	<b>+37</b>
CAPITAL EXPENDITURE:	INCREASE	46	22	33	27	34	31	27	31	34	26
	DECREASE	14	10	23	26	18	18	28	20	29	19
	<b>NET BALANCE</b>	<b>+32</b>	<b>+12</b>	<b>+10</b>	<b>+1</b>	<b>+16</b>	<b>+13</b>	<b>-1</b>	<b>+11</b>	<b>+5</b>	<b>+7</b>

\* 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 down slightly.
- Sales, profits and capital expenditure growth strong.

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1997	NOV 1997	FEB 1998	MAY 1998	AUG 1998
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE	56	63	60	64	61
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	25	19	15	21	21
	<b>NETBALANCE</b>	<b>+31</b>	<b>+44</b>	<b>+45</b>	<b>+43</b>	<b>+40</b>

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	41	49	46	46	49	46	41	49	50	45
	DECREASE	26	16	19	26	21	8	14	5	8	10
	<b>NETBALANCE</b>	<b>+15</b>	<b>+33</b>	<b>+27</b>	<b>+20</b>	<b>+28</b>	<b>+38</b>	<b>+27</b>	<b>+44</b>	<b>+42</b>	<b>+35</b>
SIZE OF WORKFORCE:	INCREASE	13	12	12	18	10	15	9	15	8	11
	DECREASE	11	10	13	7	13	3	4	5	3	4
	<b>NETBALANCE</b>	<b>+2</b>	<b>+2</b>	<b>-1</b>	<b>+11</b>	<b>-3</b>	<b>+12</b>	<b>+5</b>	<b>+10</b>	<b>+5</b>	<b>+7</b>
WAGES BILL:	INCREASE	16	30	32	19	26	25	21	25	21	25
	DECREASE	9	11	11	7	13	9	5	4	7	5
	<b>NETBALANCE</b>	<b>+7</b>	<b>+19</b>	<b>+21</b>	<b>+12</b>	<b>+13</b>	<b>+16</b>	<b>+16</b>	<b>+21</b>	<b>+14</b>	<b>+20</b>
PRICES:	INCREASE	13	13	13	12	15	12	15	19	10	20
	DECREASE	7	7	5	8	7	4	2	4	2	3
	<b>NETBALANCE</b>	<b>+6</b>	<b>+6</b>	<b>+8</b>	<b>+4</b>	<b>+8</b>	<b>+8</b>	<b>+13</b>	<b>+15</b>	<b>+8</b>	<b>+17</b>
PROFITABILITY:	INCREASE	33	45	38	36	45	41	40	46	39	41
	DECREASE	27	14	20	21	20	10	13	8	11	9
	<b>NETBALANCE</b>	<b>+6</b>	<b>+31</b>	<b>+18</b>	<b>+15</b>	<b>+25</b>	<b>+31</b>	<b>+27</b>	<b>+38</b>	<b>+28</b>	<b>+32</b>
CAPITAL EXPENDITURE:	INCREASE	20	17	29	20	26	27	24	25	25	36
	DECREASE	17	21	15	19	17	18	18	21	20	20
	<b>NETBALANCE</b>	<b>+3</b>	<b>-4</b>	<b>+14</b>	<b>+1</b>	<b>+9</b>	<b>+9</b>	<b>+6</b>	<b>+4</b>	<b>+5</b>	<b>+16</b>

\* 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

INDUSTRIAL RELATIONS AND THE NEW NATIONAL TRAINING WAGE - SEPTEMBER 1994

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

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

FINANCE & BANKING ISSUES - AUGUST 1995

ATTITUDES TO GOVERNMENT - OCTOBER 1994 & NOVEMBER 1995

WOMEN IN BUSINESS - JULY 1994 & FEBRUARY 1996

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

ELECTRONIC COMMERCE - APRIL 1998

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: Pacific Access  
Corporate Communications 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 the Pacific Access corporate Internet site:

**<http://www.pacificaccess.com.au/sbi>**

Pacific Access Pty Ltd was established in Melbourne, Australia in 1991. The company brings together Australian expertise in directories 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 had 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 through 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 enquiries relating to Pacific Access and its initiatives, please phone (03) 9246 4767.*

® and ™ Registered trade mark and trade mark of Telstra Corporation Limited

© Telstra Corporation Limited 1998

The material contained in this publication is general only and is not intended as advice on any particular matter. No reader should act or fail to act on the basis of this report. Pacific Access Pty Ltd disclaims to the extent permitted by law all liability, costs and expenses incurred by any person in connection with the content of this report.

AUGUST 1998

SMALL  
BUSINESS  
INDEX<sup>TM</sup>



**Yellow Pages**