

# 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 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 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 1996 is used to weight the sample to be representative of the total business population.

Interviewing for this latest (May 1998) survey was conducted over the period 4th May to 15th May 1998. The report covers the experience over the past three months (February, March and April) and expectations for both the current quarter (May, June and July) and the 12 months ending May 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

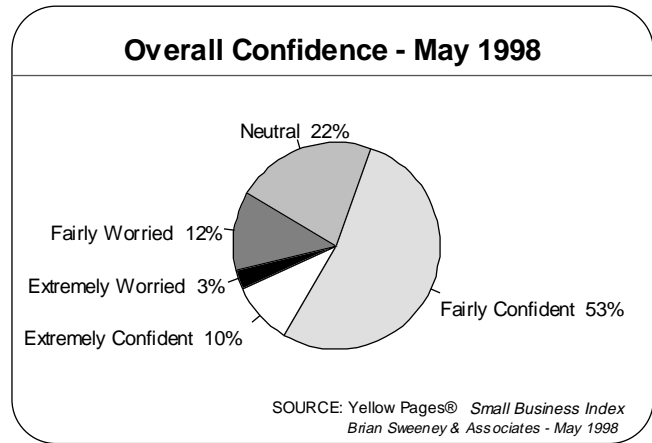
## CONFIDENCE IN PROSPECTS OVER THE NEXT 12 MONTHS

Nationally, small business confidence dipped slightly in May 1998. A net 47% of small business proprietors were confident of their prospects for the next 12 months compared with 51% in February 1998.

Confidence fell in most states and territories but significantly in the Northern Territory and New South Wales. Only in Victoria were small business respondents more confident.

Across the sectors, confidence slumped in the transport/storage sector (albeit from an unusually high February figure). Only one sector reported stronger confidence: personal services. This sector, along with business services, usually records higher levels of confidence than other sectors.

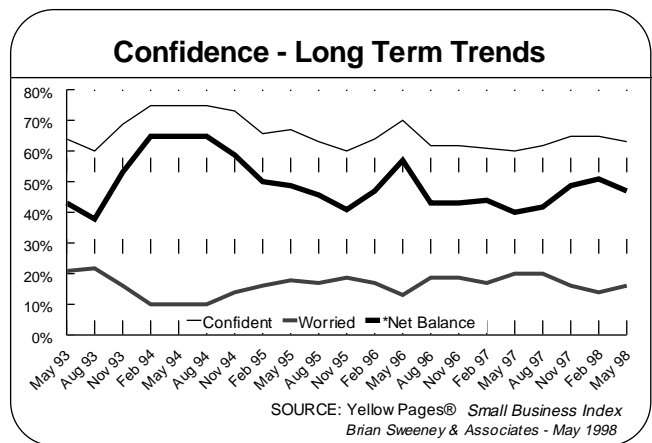
Confidence in the building/construction sector has remained static over the past three quarters.



### Confidence Trends - Past Five Quarters

	May 97	Aug 97	Nov 97	Feb 98	May 98
Extremely Confident	8%	9%	11%	10%	10%
Fairly Confident	52%	53%	54%	54%	53%
Neutral	20%	18%	18%	21%	22%
Fairly Worried	16%	16%	14%	12%	12%
Extremely Worried	4%	4%	3%	2%	3%
<b>Total Confident</b>	<b>60%</b>	<b>62%</b>	<b>65%</b>	<b>65%</b>	<b>63%</b>
<b>Total Worried</b>	<b>20%</b>	<b>20%</b>	<b>16%</b>	<b>14%</b>	<b>16%</b>
<b>*NET BALANCE</b>	<b>+40%</b>	<b>+42%</b>	<b>+49%</b>	<b>+51%</b>	<b>+47%</b>

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



### Trends By State \*Net Balance

	May 97	Aug 97	Nov 97	Feb 98	May 98
NATIONAL	40%	42%	49%	51%	47%
NSW	43%	52%	55%	57%	45%
VIC	39%	42%	50%	45%	52%
QLD	28%	23%	30%	43%	41%
SA	57%	50%	60%	61%	57%
WA	51%	48%	52%	55%	51%
TAS	24%	32%	28%	33%	34%
NT	51%	77%	77%	67%	46%
ACT	6%	31%	44%	45%	43%

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

### Trends By Sector \*Net Balance

	May 97	Aug 97	Nov 97	Feb 98	May 98
All Businesses	40%	42%	49%	51%	47%
Manufacturing	34%	39%	38%	49%	41%
Building/Construction	37%	45%	51%	51%	51%
Wholesale/Retail	24%	28%	37%	36%	35%
Transport/Storage	48%	32%	33%	62%	35%
Business Services	49%	54%	54%	62%	54%
Personal Services	53%	52%	61%	55%	57%

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



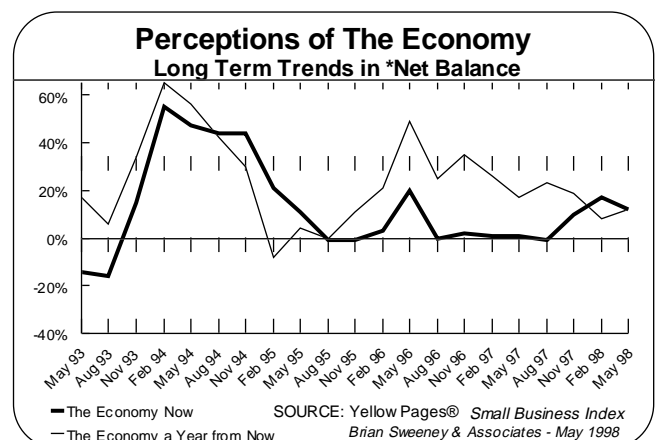
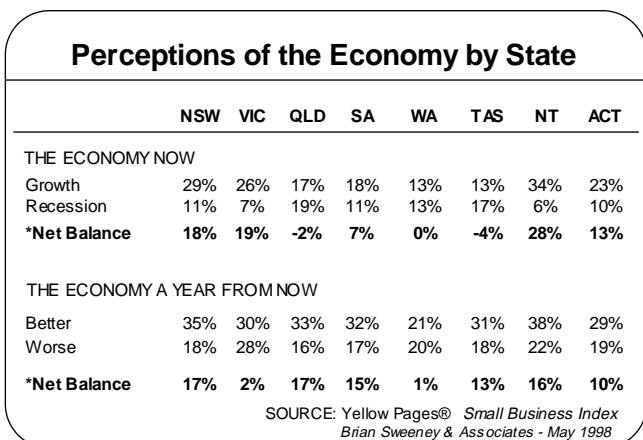
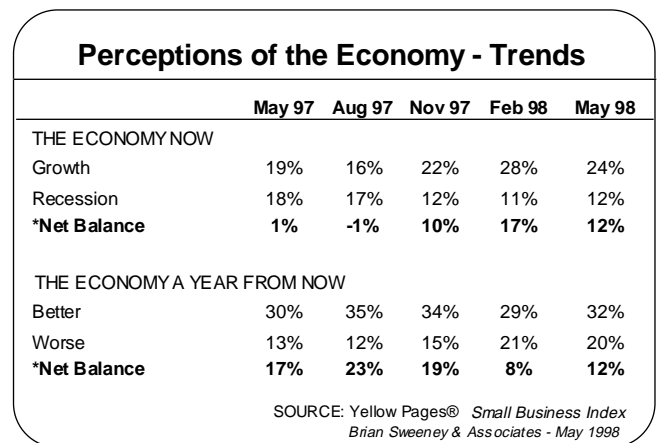
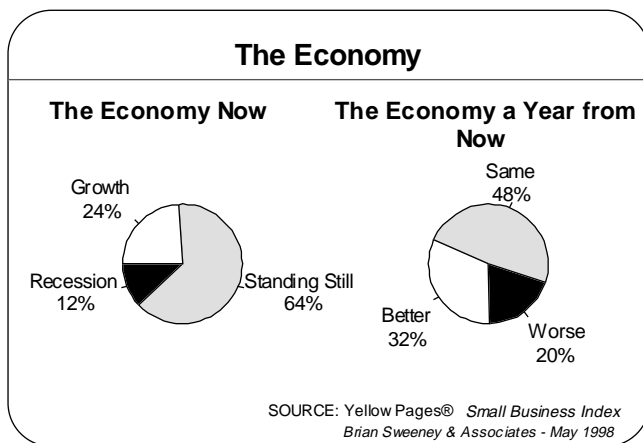
\*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

## ECONOMIC OUTLOOK

Small business proprietors are less positive about the national economy than in the previous quarter. In the May survey a net balance of 12% believe that the economy is growing compared with 17% in February 1998. Despite this weakening, perceptions of the economy for the past three surveys have been stronger than any since early 1995 (excluding the election-induced euphoria reported in the May 1996 survey).

In contrast, long term expectations for the economy improved though remained weak. A net balance of 12% of respondents expect the economy to improve in 12 months' time compared with 8% in the February survey.

Across the states and territories, small business in Tasmania and Queensland are most likely to believe that the economy is in decline. Those in the Northern Territory are most positive about the economy now.



\*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

Small business proprietors have scaled back their expectations for sales and profit growth. While proprietors expected employment growth to slow, their capital expenditure expectations held up.

### Expectations On Key Indicators Over The Next 12 Months - May 1998

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	62%	11%	51%
Size of workforce	23%	4%	19%
Wages bill	38%	6%	32%
Prices charged	45%	3%	42%
Profitability	58%	12%	46%
Capital expenditure	35%	17%	18%

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

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

	May 97	Aug 97	Nov 97	Feb 98	May 98
Value of sales	53%	56%	57%	58%	51%
Size of workforce	20%	22%	22%	22%	19%
Wages bill	32%	36%	37%	38%	32%
Prices charged	41%	40%	42%	42%	42%
Profitability	50%	51%	53%	55%	46%
Capital expenditure	13%	17%	17%	19%	18%

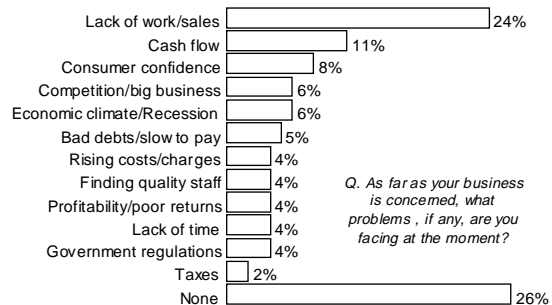
SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - May 1998

## CONCERNS

Almost a quarter of small businesses cite lack of work or sales as a prime concern, with cash flow, consumer confidence, competition from big business and the economic climate also being singled out by over one in twenty.

Interestingly, only 2% of small business proprietors raise tax as a major problem despite the fact that tax reform is seen as the number one issue that the Government should be tackling to assist small business.

### Prime Concerns May 1998



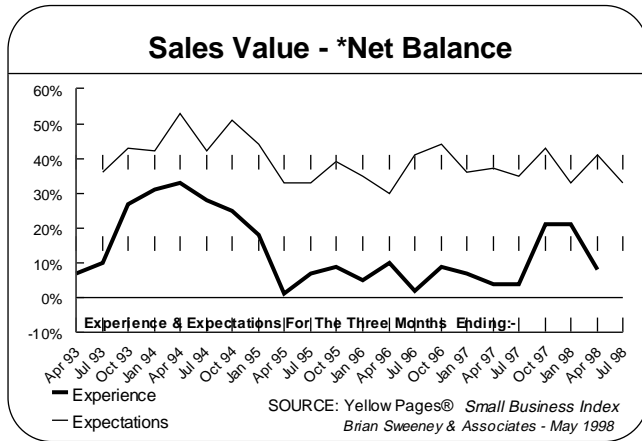
Q. As far as your business is concerned, what problems, if any, are you facing at the moment?

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



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

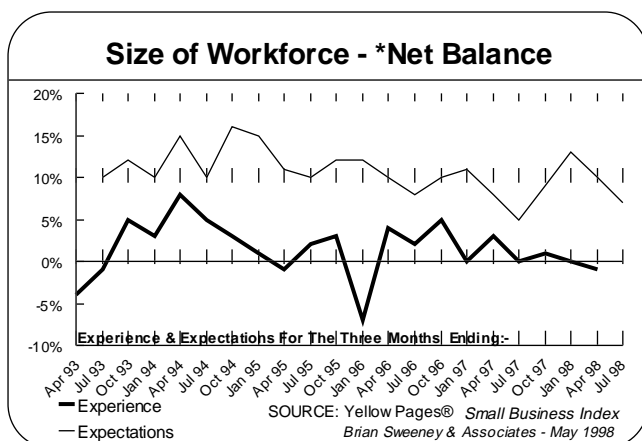
**SALES**



Small business proprietors experienced lower levels of sales growth in the three months to April 1998. Only a net 8% of respondents reported increased sales. This followed two quarters where growth was reported by a net 21%. Expectations for sales weakened for the July quarter 1998.

Reduced sales growth was evident in all states and territories except the Northern Territory. The decline was most significant in Western Australia where more proprietors reported decreased sales than reported increased sales.

**EMPLOYMENT**



Net employment levels of small business proprietors were little changed in the last three months, with expectations for the next three months slightly weaker.

The story across states and territories showed a good deal more variability. In particular, proprietors in the ACT reported a sharp rise in employment growth (a net +10%), while those in Tasmania and South Australia reported sharp falls.

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



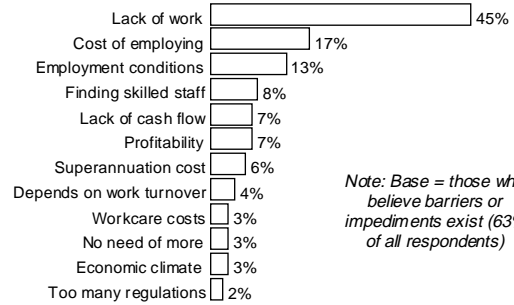
## IMPEDIMENTS TO JOB GROWTH

Sixty-three per cent of respondents believed there were impediments or barriers to taking on new employees.

Lack of work is the primary barrier to employment - cited by 45%. Cost of employment and employment conditions were also mentioned by a significant proportion of small business proprietors.

Inability to find skilled staff and economic factors such as cash flow and low profitability also play a role.

**What are the Barriers to Taking on New Employees?  
May 1998**



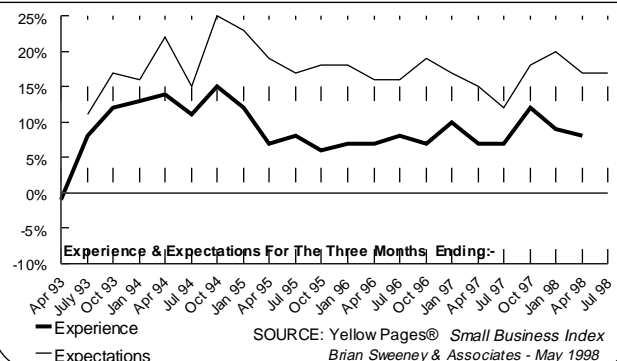
*Note: Base = those who believe barriers or impediments exist (63% of all respondents)*

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

## WAGES BILL

Wages growth was little changed for respondents in the April quarter with no change in expectations for the current quarter.

**Wages Bill - \*Net Balance**



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

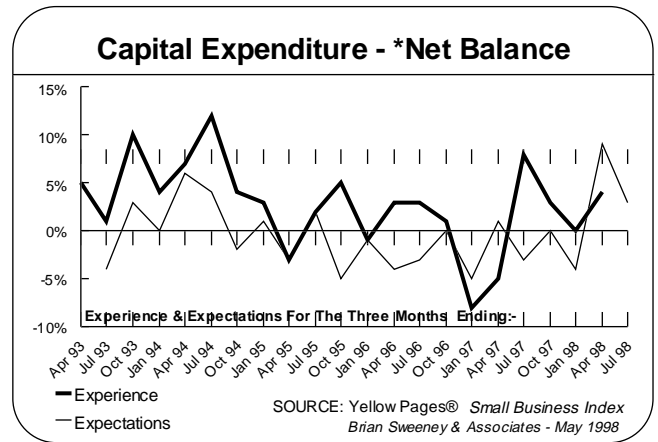
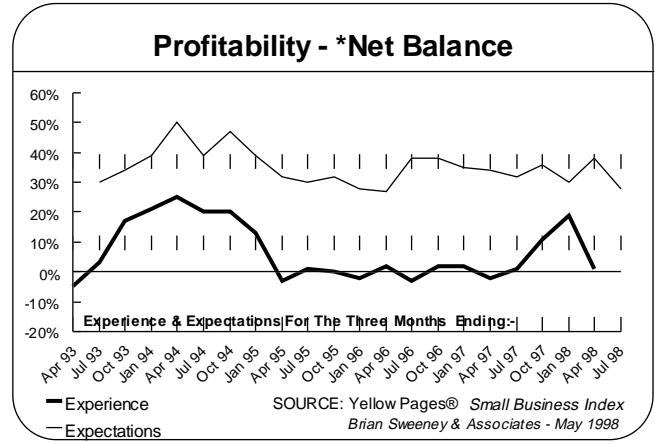
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## PROFITABILITY & CAPITAL EXPENDITURE

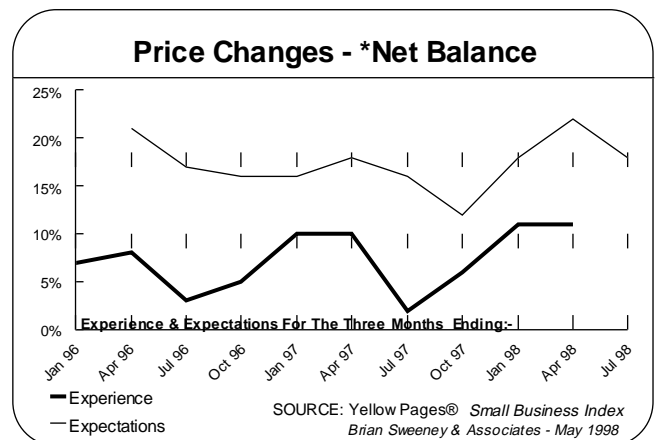
Reflecting the sharp slowdown in sales growth, there was minimal profit growth over the last quarter. Nationally, only a net 1% of respondents reported profit growth compared with 19% in the previous quarter. Profit growth fell in all states and territories except the Northern Territory.

Respondents' capital expenditure lifted marginally over the three months to April 1998 but future expectations fell in this area.



## PRICES

Price pressures remained strong in the three months to April 1998 with a net 11% of respondents reporting price increases for the second quarter in a row. Expectations for further increases have eased.



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



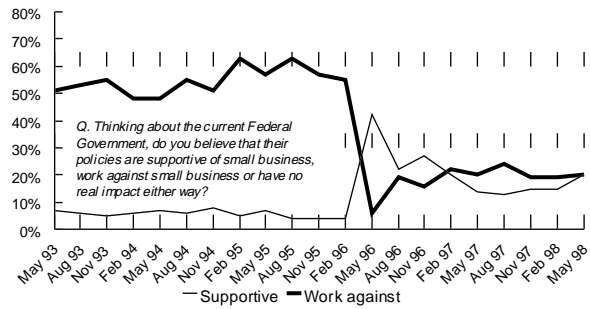
## ASSESSMENT OF FEDERAL GOVERNMENT POLICIES

Support for Federal Government policies has increased slightly since the February survey. Twenty percent of small business proprietors surveyed now believe that government policies are supportive of small business - up five percentage points since the last study.

However, 20% also believe that government policies work against small business interests.

In the May 1998 Index, small business proprietors were also asked a series of questions on the current political climate and voting behaviour and intentions.

**Attitudes to Federal Government Policies  
Long Term Trends**



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

**Attitudes to Federal Government Policies  
Past Five Quarters**

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

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

## THE POLITICAL SITUATION

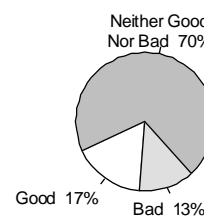
Most small business proprietors (70%) are neutral about whether an early election would be good or bad for small business. Seventeen percent believe that it would be a good thing, with reasons for this view mainly relating to perceptions that:

- it would give more confidence (23% mentioned);
- it would let us know what the future holds (22%);
- the current government would win (16%);
- it would get the tax issue out of the way (15%);
- a change has to happen (14%).

Thirteen percent believe an early election would be bad for business mainly because:

- elections cause uncertainty (48%); and
- people stop spending before an election (32%).

**Would an Early Election be Good or Bad for  
Small Business?**

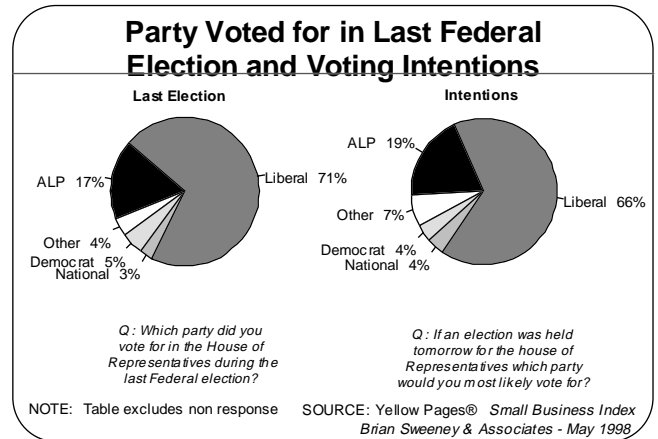


Q : Do you believe that if the Government were to call an early election it would be a good thing or a bad thing for small business?

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

Small business proprietors are strongly pro-Coalition, with 70% expecting to vote either Liberal or National if an election was to be held tomorrow and 19% supporting the Labor Party.

These intentions, however, show a slight reduction in support for the Coalition compared with voting behaviour in the 1996 Federal Election. In 1996, 74% of small business proprietors surveyed voted Liberal or National and 17% voted Labor.



A voting intention question put to respondents in 1995 revealed a 59% lead for the Coalition versus 51% in the latest survey.

### Party Would Vote for Tomorrow

**Trends**

	May 95	May 98
Liberal	69%	66%
National	6%	4%
ALP	16%	19%
Democrat	4%	4%
Other	5%	7%

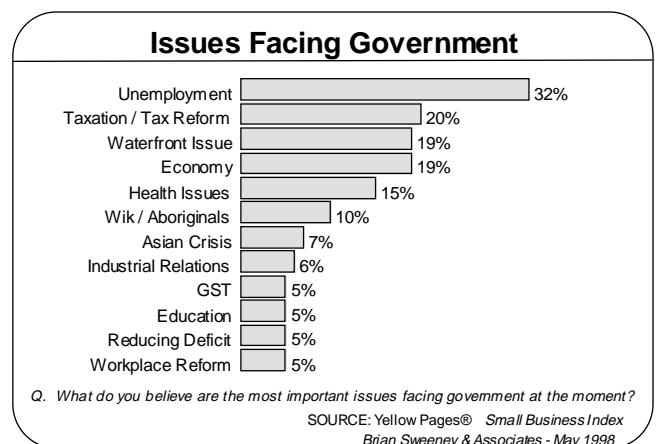
NOTE: Table excludes non response and undecided

## ISSUES FACING GOVERNMENT

Almost one third of small businesses see unemployment as the number one issue facing government today. Three other aspects, taxation or tax reform, the waterfront and the economy in general are also seen as important priorities.

The focus on waterfront reform reflects the timing of the study, which was conducted when the waterfront dispute was at its peak.

Unemployment was the most important issue for all states and territories except Western Australia (where health care was number one) and the Northern Territory (where waterfront reform was the key issue).



## SMALL BUSINESS ISSUES

Proprietors were also asked to nominate the most important issues the Government should be tackling to assist small business.

Taxation reform easily tops the list here being mentioned by close to 40%. Other issues include making employment cheaper, reducing red tape and providing concessions (such as tax concessions) for small business.

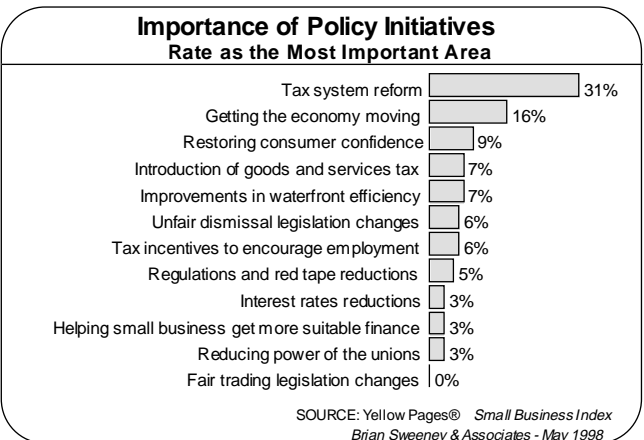
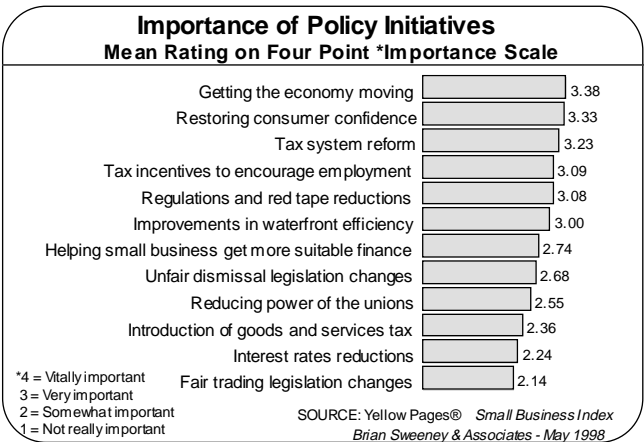
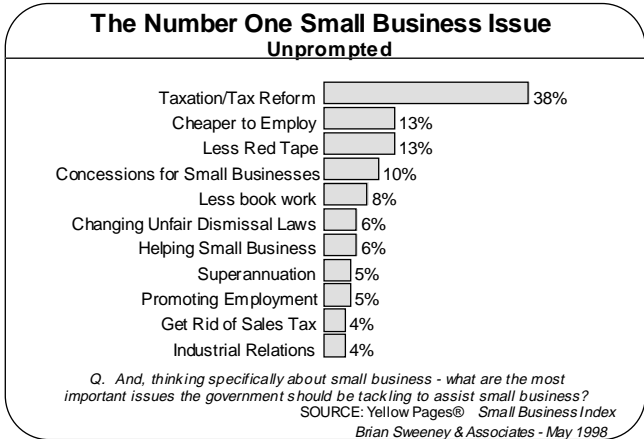
A prompted question was also included in which respondents were asked to rate the importance to their business prospects of 12 policy initiatives. A 4-point "vitally important" to "not really important" scale was used.

Using this measure the top six factors were:

- getting the economy moving;
- restoring consumer confidence;
- tax system reform;
- tax incentives to encourage employment;
- regulations and red tape reductions; and
- improvements in waterfront efficiency

Factors of lesser importance were changes to fair trading legislation, interest rate reductions and the introduction of a GST.

A second prompted question asked small business proprietors to nominate which of the 12 factors was **the** most important issue to them. Here tax reform (nominated by 31%) dominates the list.



## INTERNATIONAL TRADE, THE WATERFRONT DISPUTE AND THE ASIAN ECONOMIC CRISIS

Some 7% of Australian small businesses surveyed export goods and/or services and an equivalent number import. A further 20% report that they are very reliant on imported goods. In this context, the Index examined the impact of the waterfront dispute and the Asian economic crisis.

### THE WATERFRONT DISPUTE

The survey was conducted in the period 4 to 15 May. At that time much of the media focus was related to court action.

Seventeen percent of small businesses surveyed claim that their business or immediate business prospects have been harmed by the waterfront dispute.

Those in manufacturing and wholesale/retail are more likely than those in other sectors to have been negatively affected.

Predictably, businesses which export or rely on imports were more likely than average to report that they had been harmed - although even here only a minority suffered.

The majority of respondents support Patrick's dismissal of its union workforce and the Government's support for Patrick. Support is almost evenly divided, however, on the Government being prepared to supply a line of credit to pay for redundancies.

Around one third appear to be supportive of the MUA's decision to picket Patrick's wharves and do not support the Government's actions.

	Harmed Business	Not Harmed Business
All Businesses	17%	83%
Manufacturing	24%	75%
Building/Construction	15%	85%
Wholesale/Retail	30%	70%
Transport/Storage	15%	85%
Business Services	10%	90%
Personal Services	9%	91%

*Q : Do you believe that the waterfront dispute has harmed your business or your immediate business prospects?*

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

	Harmed Business	Not Harmed Business
All Businesses	17%	83%
Export overseas	35%	65%
Do not export	16%	84%
Directly import	31%	67%
Very reliant on imports	25%	75%
Somewhat reliant on imports	22%	78%
Not reliant on imports	10%	90%

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

	Approve	No Opinion	Dis-approve
The involvement of the NFF in the dispute	66%	11%	23%
Federal Government support for Patrick	62%	5%	33%
Patrick's dismissal of its union workforce	61%	6%	33%
Federal Government prepared to supply line of credit	46%	6%	47%
High Court's decision to compel Patrick to reinstate workforce	41%	10%	50%
MUA's decision to picket Patrick's wharves	30%	6%	64%

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

Virtually all small business proprietors surveyed believe that improved waterfront efficiency will have a major impact on the economy but less than a third agree that the Government has handled the dispute well.

Close to 70% would have preferred the Government to take the role of arbitrator rather than siding with Patrick.

There is also a strong perception that the stevedoring companies should take some responsibility for waterfront inefficiencies.

### Attitudes to the Dispute

	Agree	No Opinion	Dis-agree
Improved waterfront efficiency will have a major impact on the economy	89%	4%	7%
The stevedoring companies should take some of the responsibility for inefficiencies	70%	7%	22%
I would prefer the gov't to take the role of arbitrator rather than side with Patrick	69%	8%	22%
Waterfront reform could have been achieved without this confrontation	37%	6%	57%
The government has handled the dispute well	30%	11%	58%

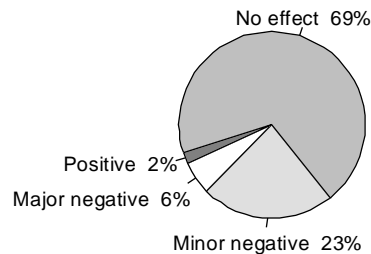
SOURCE: Yellow Pages® Small Business Index  
Brian Sweeney & Associates - May 1998

### THE ASIAN ECONOMIC CRISIS

About 30% of respondents believe that they have been affected negatively by the Asian Economic Crisis - although usually only to a minor degree.

Negative impacts are most likely to be reported in businesses involved in transport and storage and, predictably, businesses which export overseas.

### Impact of the Asian Economic Crisis



Q : Do you think the financial crisis in S.E. Asia has affected your business negatively, positively or had no effect?

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

### Impact by Sector and Export Status

	Positive	No Effect	Negative	Net Balance
All Businesses	2%	69%	30%	-28%
Manufacturing	5%	63%	32%	-27%
Building/Construction	1%	74%	25%	-24%
Wholesale/Retail	2%	64%	34%	-32%
Transport/Storage	4%	42%	54%	-50%
Business Services	2%	69%	29%	-27%
Personal Services	1%	79%	20%	-19%
Export overseas	6%	37%	57%	-51%
Do not export	2%	71%	27%	-25%

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

# Small Business Outlook - National

- Confidence slightly down
- Sales and profits have dropped slightly and expectations down (but to a lesser degree) in both areas
- Employment sluggish

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

SOURCE: Yellow Pages®  
Small Business Index

			<u>MAY 1997</u>	<u>AUG 1997</u>	<u>NOV 1997</u>	<u>FEB 1998</u>	<u>MAY 1998</u>	
			%	%	%	%	%	
CONFIDENCE IN OWN BUSINESS	POSITIVE		60	62	65	65	63	
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		20	20	16	14	16	
	<b>NET BALANCE</b>		<b>+40</b>	<b>+42</b>	<b>+49</b>	<b>+51</b>	<b>+47</b>	
		<b>ACTUAL EXPERIENCE DURING:</b>						<b>EXPECTATIONS FOR:</b>
			<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>1997</u>	<u>1997</u>	<u>1997</u>	<u>97/98</u>	<u>1998</u>	<u>1998</u>
			%	%	%	%	%	%
SALES VALUE:	INCREASE		35	36	44	45	38	47
	DECREASE		31	31	23	24	30	12
	<b>NET BALANCE</b>		<b>+4</b>	<b>+5</b>	<b>+21</b>	<b>+21</b>	<b>+8</b>	<b>+35</b>
SIZE OF WORKFORCE:	INCREASE		13	12	12	11	11	9
	DECREASE		10	12	11	11	12	4
	<b>NET BALANCE</b>		<b>+3</b>	<b>0</b>	<b>+1</b>	<b>0</b>	<b>-1</b>	<b>+5</b>
WAGES BILL:	INCREASE		20	21	23	22	21	18
	DECREASE		13	14	11	13	13	6
	<b>NET BALANCE</b>		<b>+7</b>	<b>+7</b>	<b>+12</b>	<b>+9</b>	<b>+8</b>	<b>+12</b>
PRICES:	INCREASE		18	15	15	18	20	21
	DECREASE		9	13	9	7	9	4
	<b>NET BALANCE</b>		<b>+9</b>	<b>+2</b>	<b>+6</b>	<b>+11</b>	<b>+11</b>	<b>+17</b>
PROFITABILITY:	INCREASE		31	31	38	40	32	45
	DECREASE		33	30	27	21	31	13
	<b>NET BALANCE</b>		<b>-2</b>	<b>+1</b>	<b>+11</b>	<b>+19</b>	<b>+1</b>	<b>+32</b>
CAPITAL EXPENDITURE:	INCREASE		20	26	23	20	23	21
	DECREASE		25	18	20	20	19	24
	<b>NET BALANCE</b>		<b>-5</b>	<b>+8</b>	<b>+3</b>	<b>0</b>	<b>+4</b>	<b>-3</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 fell
- Sales, profits fell sharply, expectations also well down
- Prices rising quickly
- Capital expenditure strengthening

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

SOURCE: Yellow Pages®  
Small Business Index

			<u>MAY 1997</u>	<u>AUG 1997</u>	<u>NOV 1997</u>	<u>FEB 1998</u>	<u>MAY 1998</u>
			%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE		62	69	71	71	61
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		19	17	16	14	16
	<b>NET BALANCE</b>		<b>+43</b>	<b>+52</b>	<b>+55</b>	<b>+57</b>	<b>+45</b>
		<u>ACTUAL EXPERIENCE DURING:</u>	<u>EXPECTATIONS FOR:</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>1997</u>	<u>1997</u>	<u>1997</u>	<u>97/98</u>	<u>1997</u>	<u>1998</u>
		%	%	%	%	%	%
SALES VALUE:	INCREASE	33	38	45	46	52	45
	DECREASE	29	27	18	22	10	7
	<b>NET BALANCE</b>	<b>+4</b>	<b>+11</b>	<b>+27</b>	<b>+24</b>	<b>+42</b>	<b>+38</b>
SIZE OF WORKFORCE:	INCREASE	12	15	11	8	12	14
	DECREASE	10	12	13	11	3	4
	<b>NET BALANCE</b>	<b>+2</b>	<b>+3</b>	<b>-2</b>	<b>-3</b>	<b>+9</b>	<b>+10</b>
WAGES BILL:	INCREASE	21	22	23	23	17	26
	DECREASE	11	12	12	13	5	5
	<b>NET BALANCE</b>	<b>+10</b>	<b>+10</b>	<b>+11</b>	<b>+10</b>	<b>+12</b>	<b>+21</b>
PRICES:	INCREASE	19	15	12	20	25	25
	DECREASE	10	14	10	5	4	4
	<b>NET BALANCE</b>	<b>+9</b>	<b>+1</b>	<b>+2</b>	<b>+15</b>	<b>+21</b>	<b>+21</b>
PROFITABILITY:	INCREASE	29	32	39	41	49	44
	DECREASE	31	25	23	18	11	13
	<b>NET BALANCE</b>	<b>-2</b>	<b>+7</b>	<b>+16</b>	<b>+23</b>	<b>+38</b>	<b>+31</b>
CAPITAL EXPENDITURE:	INCREASE	21	27	21	24	19	24
	DECREASE	23	15	19	19	19	20
	<b>NET BALANCE</b>	<b>-2</b>	<b>+12</b>	<b>+2</b>	<b>+5</b>	<b>0</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 - Victoria

- Confidence recovered after fall in February
- Sales and profits fall sharply, expectations down
- Capital expenditure strengthened
- Employment slowed, expectations down significantly

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

SOURCE: Yellow Pages®  
Small Business Index

			<u>MAY 1997</u>	<u>AUG 1997</u>	<u>NOV 1997</u>	<u>FEB 1998</u>	<u>MAY 1998</u>	
			%	%	%	%	%	
CONFIDENCE IN OWN BUSINESS	POSITIVE		59	61	66	59	65	
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		20	19	16	14	13	
	<b>NET BALANCE</b>		<b>+39</b>	<b>+42</b>	<b>+50</b>	<b>+45</b>	<b>+52</b>	
		<u>ACTUAL EXPERIENCE DURING:</u>						<u>EXPECTATIONS FOR:</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>1997</u>	<u>1997</u>	<u>1997</u>	<u>97/98</u>	<u>1998</u>	<u>1998</u>
			%	%	%	%	%	%
SALES VALUE:	INCREASE		39	37	45	46	40	46
	DECREASE		26	29	29	22	34	13
	<b>NET BALANCE</b>		<b>+13</b>	<b>+8</b>	<b>+16</b>	<b>+24</b>	<b>+6</b>	<b>+33</b>
SIZE OF WORKFORCE:	INCREASE		14	15	13	12	10	6
	DECREASE		6	9	9	10	10	4
	<b>NET BALANCE</b>		<b>+8</b>	<b>+6</b>	<b>+4</b>	<b>+2</b>	<b>0</b>	<b>+2</b>
WAGES BILL:	INCREASE		22	23	20	22	22	17
	DECREASE		8	14	9	8	12	7
	<b>NET BALANCE</b>		<b>+14</b>	<b>+9</b>	<b>+11</b>	<b>+14</b>	<b>+10</b>	<b>+10</b>
PRICES:	INCREASE		19	16	16	16	19	21
	DECREASE		7	13	9	8	13	5
	<b>NET BALANCE</b>		<b>+12</b>	<b>+3</b>	<b>+7</b>	<b>+8</b>	<b>+6</b>	<b>+16</b>
PROFITABILITY:	INCREASE		37	32	40	42	36	48
	DECREASE		28	28	30	20	34	14
	<b>NET BALANCE</b>		<b>+9</b>	<b>+4</b>	<b>+10</b>	<b>+22</b>	<b>+2</b>	<b>+34</b>
CAPITAL EXPENDITURE:	INCREASE		20	27	24	17	23	26
	DECREASE		24	14	23	19	16	27
	<b>NET BALANCE</b>		<b>-4</b>	<b>+13</b>	<b>+1</b>	<b>-2</b>	<b>+7</b>	<b>-1</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 remained steady but is still above the low levels recorded in 1997
- Sales off somewhat, expectations up
- Profit growth slowed

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

SOURCE: Yellow Pages®  
Small Business Index

			<u>MAY 1997</u>	<u>AUG 1997</u>	<u>NOV 1997</u>	<u>FEB 1998</u>	<u>MAY 1998</u>				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		54	49	51	59	62				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		26	26	21	16	21				
	<b>NET BALANCE</b>		<b>+28</b>	<b>+23</b>	<b>+30</b>	<b>+43</b>	<b>+41</b>				
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</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>NOV-JAN</u>	<u>FEB/APR</u>	<u>MAY-JUL</u>
		<u>1997</u>	<u>1997</u>	<u>1997</u>	<u>97/98</u>	<u>1998</u>	<u>1997</u>	<u>1997</u>	<u>97/98</u>	<u>1998</u>	<u>1998</u>
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	33	34	42	45	40	45	51	40	48	51
	DECREASE	41	39	27	27	28	13	10	21	14	10
	<b>NET BALANCE</b>	<b>-8</b>	<b>-5</b>	<b>+15</b>	<b>+18</b>	<b>+12</b>	<b>+32</b>	<b>+41</b>	<b>+19</b>	<b>+34</b>	<b>+41</b>
SIZE OF WORKFORCE:	INCREASE	13	8	15	14	14	10	15	15	12	11
	DECREASE	15	17	12	12	15	4	6	8	5	2
	<b>NET BALANCE</b>	<b>-2</b>	<b>-9</b>	<b>+3</b>	<b>+2</b>	<b>-1</b>	<b>+6</b>	<b>+9</b>	<b>+7</b>	<b>+7</b>	<b>+9</b>
WAGES BILL:	INCREASE	18	16	27	22	23	22	23	20	23	21
	DECREASE	20	18	10	20	18	7	7	9	7	4
	<b>NET BALANCE</b>	<b>-2</b>	<b>-2</b>	<b>+17</b>	<b>+2</b>	<b>+5</b>	<b>+15</b>	<b>+16</b>	<b>+11</b>	<b>+16</b>	<b>+17</b>
PRICES:	INCREASE	18	10	15	19	17	14	15	16	27	17
	DECREASE	11	12	8	11	11	5	3	3	5	2
	<b>NET BALANCE</b>	<b>+7</b>	<b>-2</b>	<b>+7</b>	<b>+8</b>	<b>+6</b>	<b>+9</b>	<b>+12</b>	<b>+13</b>	<b>+22</b>	<b>+15</b>
PROFITABILITY:	INCREASE	25	26	37	40	34	40	44	36	45	43
	DECREASE	41	39	31	24	29	15	10	22	14	13
	<b>NET BALANCE</b>	<b>-16</b>	<b>-13</b>	<b>+6</b>	<b>+16</b>	<b>+5</b>	<b>+25</b>	<b>+34</b>	<b>+14</b>	<b>+31</b>	<b>+30</b>
CAPITAL EXPENDITURE:	INCREASE	19	24	28	19	18	20	21	18	28	24
	DECREASE	30	25	21	24	20	29	28	29	20	24
	<b>NET BALANCE</b>	<b>-11</b>	<b>-1</b>	<b>+7</b>	<b>-5</b>	<b>-2</b>	<b>-9</b>	<b>-7</b>	<b>-11</b>	<b>+8</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 remains strong
- Sales and profits down significantly, expectations are also down
- Capital expenditure fell away
- Widespread price rises continue

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

SOURCE: Yellow Pages®  
Small Business Index

			<u>MAY 1997</u>	<u>AUG 1997</u>	<u>NOV 1997</u>	<u>FEB 1998</u>	<u>MAY 1998</u>				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		67	66	71	67	66				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		10	16	11	6	9				
	<b>NET BALANCE</b>		<b>+57</b>	<b>+50</b>	<b>+60</b>	<b>+61</b>	<b>+57</b>				
		<u>ACTUAL EXPERIENCE DURING:</u>						<u>EXPECTATIONS FOR:</u>			
		FEB-APR 1997	MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB/APR 1998	MAY-JUL 1998
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	36	29	40	39	36	47	46	51	45	40
	DECREASE	25	30	23	23	27	11	13	7	7	12
	<b>NET BALANCE</b>	<b>+11</b>	<b>-1</b>	<b>+17</b>	<b>+16</b>	<b>+9</b>	<b>+36</b>	<b>+33</b>	<b>+44</b>	<b>+38</b>	<b>+28</b>
SIZE OF WORKFORCE:	INCREASE	12	6	10	14	10	8	11	18	11	11
	DECREASE	11	12	11	8	14	2	4	2	1	3
	<b>NET BALANCE</b>	<b>+1</b>	<b>-6</b>	<b>-1</b>	<b>+6</b>	<b>-4</b>	<b>+6</b>	<b>+7</b>	<b>+16</b>	<b>+10</b>	<b>+8</b>
WAGES BILL:	INCREASE	18	20	19	25	20	22	20	20	19	16
	DECREASE	14	17	15	12	11	4	8	3	3	7
	<b>NET BALANCE</b>	<b>+4</b>	<b>+3</b>	<b>+4</b>	<b>+13</b>	<b>+9</b>	<b>+18</b>	<b>+12</b>	<b>+17</b>	<b>+16</b>	<b>+9</b>
PRICES:	INCREASE	18	16	21	19	23	23	18	20	26	20
	DECREASE	11	7	8	6	9	2	5	1	2	2
	<b>NET BALANCE</b>	<b>+7</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>
PROFITABILITY:	INCREASE	31	25	32	33	28	45	41	42	45	35
	DECREASE	30	30	26	23	28	11	13	5	9	13
	<b>NET BALANCE</b>	<b>+1</b>	<b>-5</b>	<b>+6</b>	<b>+13</b>	<b>0</b>	<b>+34</b>	<b>+28</b>	<b>+37</b>	<b>+36</b>	<b>+22</b>
CAPITAL EXPENDITURE:	INCREASE	19	21	18	18	18	24	23	15	25	23
	DECREASE	25	29	18	15	22	24	18	14	16	22
	<b>NET BALANCE</b>	<b>-6</b>	<b>-8</b>	<b>0</b>	<b>+3</b>	<b>-4</b>	<b>0</b>	<b>+5</b>	<b>+1</b>	<b>+9</b>	<b>+1</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 fell, sales expectations down
- Confidence weaker
- Capital expenditure continued to fall

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

SOURCE: Yellow Pages®  
Small Business Index

			<u>MAY 1997</u>	<u>AUG 1997</u>	<u>NOV 1997</u>	<u>FEB 1998</u>	<u>MAY 1998</u>
			%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE		64	67	65	69	66
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		13	19	13	14	15
	<b>NET BALANCE</b>		<b>+51</b>	<b>+48</b>	<b>+52</b>	<b>+55</b>	<b>+51</b>
		<u>ACTUAL EXPERIENCE DURING:</u>	<u>EXPECTATIONS FOR:</u>				
		FEB-APR 1997	MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998
		%	%	%	%	%	%
SALES VALUE:	INCREASE	39	38	42	39	32	35
	DECREASE	31	35	22	28	41	14
	<b>NET BALANCE</b>	<b>+8</b>	<b>+3</b>	<b>+20</b>	<b>+11</b>	<b>-9</b>	<b>+21</b>
SIZE OF WORKFORCE:	INCREASE	12	11	10	12	13	8
	DECREASE	11	7	12	12	10	4
	<b>NET BALANCE</b>	<b>+1</b>	<b>+4</b>	<b>-2</b>	<b>0</b>	<b>+3</b>	<b>+4</b>
WAGES BILL:	INCREASE	11	21	22	14	15	14
	DECREASE	11	13	11	11	13	6
	<b>NET BALANCE</b>	<b>0</b>	<b>+8</b>	<b>+11</b>	<b>+3</b>	<b>+2</b>	<b>+8</b>
PRICES:	INCREASE	15	17	20	16	20	20
	DECREASE	7	11	7	8	8	3
	<b>NET BALANCE</b>	<b>+8</b>	<b>+6</b>	<b>+13</b>	<b>+8</b>	<b>+12</b>	<b>+17</b>
PROFITABILITY:	INCREASE	33	34	36	37	34	35
	DECREASE	34	32	26	25	40	14
	<b>NET BALANCE</b>	<b>-1</b>	<b>+2</b>	<b>+10</b>	<b>+12</b>	<b>-6</b>	<b>+21</b>
CAPITAL EXPENDITURE:	INCREASE	19	26	23	15	21	20
	DECREASE	25	16	22	20	25	22
	<b>NET BALANCE</b>	<b>-6</b>	<b>+10</b>	<b>+1</b>	<b>-5</b>	<b>-4</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 - Tasmania

- Confidence little changed and low
- Sales and profits down and expectations sharply down in both areas
- Capital expenditure also down
- Continued price rises

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

SOURCE: Yellow Pages®  
Small Business Index

		MAY 1997	AUG 1997	NOV 1997	FEB 1998	MAY 1998					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	51	54	47	51	53					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	27	22	19	18	19					
	<b>NET BALANCE</b>	<b>+24</b>	<b>+32</b>	<b>+28</b>	<b>+33</b>	<b>+34</b>					
		<b>ACTUAL EXPERIENCE DURING:</b>					<b>EXPECTATIONS FOR:</b>				
		FEB-APR 1997	MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	20	27	50	43	33	31	44	53	35	26
	DECREASE	41	41	29	24	30	24	8	9	6	16
	<b>NET BALANCE</b>	<b>-21</b>	<b>-14</b>	<b>+21</b>	<b>+19</b>	<b>+3</b>	<b>+7</b>	<b>+36</b>	<b>+44</b>	<b>+29</b>	<b>+10</b>
SIZE OF WORKFORCE:	INCREASE	9	4	8	13	5	3	6	7	5	12
	DECREASE	12	17	10	9	12	12	4	4	4	4
	<b>NET BALANCE</b>	<b>-3</b>	<b>-13</b>	<b>-2</b>	<b>+4</b>	<b>-7</b>	<b>-9</b>	<b>+2</b>	<b>+3</b>	<b>+1</b>	<b>+8</b>
WAGES BILL:	INCREASE	16	21	19	18	21	15	12	16	16	22
	DECREASE	23	18	14	8	10	11	5	8	8	11
	<b>NET BALANCE</b>	<b>-7</b>	<b>+3</b>	<b>+5</b>	<b>+10</b>	<b>+11</b>	<b>+4</b>	<b>+7</b>	<b>+8</b>	<b>+8</b>	<b>+11</b>
PRICES:	INCREASE	18	15	17	25	23	16	19	22	28	16
	DECREASE	10	7	5	8	6	4	4	0	3	4
	<b>NET BALANCE</b>	<b>+8</b>	<b>+8</b>	<b>+12</b>	<b>+17</b>	<b>+17</b>	<b>+12</b>	<b>+15</b>	<b>+22</b>	<b>+25</b>	<b>+12</b>
PROFITABILITY:	INCREASE	19	24	48	42	31	29	40	42	36	22
	DECREASE	46	47	25	30	27	24	6	10	5	18
	<b>NET BALANCE</b>	<b>-27</b>	<b>-23</b>	<b>+23</b>	<b>+12</b>	<b>+4</b>	<b>+5</b>	<b>+34</b>	<b>+32</b>	<b>+31</b>	<b>+4</b>
CAPITAL EXPENDITURE:	INCREASE	19	20	10	24	18	17	20	13	23	14
	DECREASE	28	30	14	17	21	41	20	18	14	35
	<b>NET BALANCE</b>	<b>-9</b>	<b>-10</b>	<b>-4</b>	<b>+7</b>	<b>-3</b>	<b>-24</b>	<b>0</b>	<b>-5</b>	<b>+9</b>	<b>-21</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 fell sharply
- Sales and profits recovered
- Capital expenditure slowed

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

SOURCE: Yellow Pages®  
Small Business Index

		MAY 1997	AUG 1997	NOV 1997	FEB 1998	MAY 1998					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	66	85	84	80	62					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	15	8	7	13	16					
	<b>NET BALANCE</b>	<b>+51</b>	<b>+77</b>	<b>+77</b>	<b>+67</b>	<b>+46</b>					
		<b>ACTUAL EXPERIENCE DURING:</b>					<b>EXPECTATIONS FOR:</b>				
		FEB-APR 1997	MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB/APR 1998	MAY-JUL 1998
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	35	44	38	33	39	71	53	31	67	61
	DECREASE	33	29	13	39	35	8	11	22	5	4
	<b>NET BALANCE</b>	<b>+2</b>	<b>+15</b>	<b>+25</b>	<b>-6</b>	<b>+4</b>	<b>+63</b>	<b>+42</b>	<b>+9</b>	<b>+62</b>	<b>+57</b>
SIZE OF WORKFORCE:	INCREASE	17	37	12	19	24	35	10	24	33	25
	DECREASE	40	11	21	11	17	4	8	10	3	4
	<b>NET BALANCE</b>	<b>-23</b>	<b>+26</b>	<b>-9</b>	<b>+8</b>	<b>+7</b>	<b>+31</b>	<b>+2</b>	<b>+14</b>	<b>+30</b>	<b>+21</b>
WAGES BILL:	INCREASE	23	34	17	21	30	43	15	26	44	34
	DECREASE	25	14	12	23	18	7	11	19	6	7
	<b>NET BALANCE</b>	<b>-2</b>	<b>+20</b>	<b>+5</b>	<b>-2</b>	<b>+12</b>	<b>+36</b>	<b>+4</b>	<b>+7</b>	<b>+38</b>	<b>+27</b>
PRICES :	INCREASE	12	13	14	17	20	25	23	18	22	28
	DECREASE	8	12	3	9	12	6	3	1	2	2
	<b>NET BALANCE</b>	<b>+4</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>
PROFITABILITY:	INCREASE	36	39	33	34	36	55	49	23	58	57
	DECREASE	31	18	18	37	34	7	16	20	5	4
	<b>NET BALANCE</b>	<b>+5</b>	<b>+21</b>	<b>+15</b>	<b>-3</b>	<b>+2</b>	<b>+48</b>	<b>+33</b>	<b>+3</b>	<b>+53</b>	<b>+53</b>
CAPITAL EXPENDITURE:	INCREASE	39	46	22	33	27	32	31	27	31	34
	DECREASE	11	14	10	23	26	24	18	28	20	29
	<b>NET BALANCE</b>	<b>+28</b>	<b>+32</b>	<b>+12</b>	<b>+10</b>	<b>+1</b>	<b>+8</b>	<b>+13</b>	<b>-1</b>	<b>+11</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 - ACT

- Confidence little changed
- Sales and profits slightly down but workforce increased
- Capital expenditure slowed sharply

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

SOURCE: Yellow Pages®  
Small Business Index

			<u>MAY 1997</u>	<u>AUG 1997</u>	<u>NOV 1997</u>	<u>FEB 1998</u>	<u>MAY 1998</u>				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		46	56	63	60	64				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		40	25	19	15	21				
	<b>NET BALANCE</b>		<b>+6</b>	<b>+31</b>	<b>+44</b>	<b>+45</b>	<b>+43</b>				
		<u>ACTUAL EXPERIENCE DURING:</u>						<u>EXPECTATIONS FOR:</u>			
		FEB-APR 1997	MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1997	AUG-OCT 1997	NOV-JAN 97/98	FEB/APR 1998	MAY-JUL 1998
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	26	41	49	46	46	35	46	41	49	50
	DECREASE	47	26	16	19	26	21	8	14	5	8
	<b>NET BALANCE</b>	<b>-21</b>	<b>+15</b>	<b>+33</b>	<b>+27</b>	<b>+20</b>	<b>+14</b>	<b>+38</b>	<b>+27</b>	<b>+44</b>	<b>+42</b>
SIZE OF WORKFORCE:	INCREASE	17	13	12	12	18	2	15	9	15	8
	DECREASE	13	11	10	13	7	2	3	4	5	3
	<b>NET BALANCE</b>	<b>+4</b>	<b>+2</b>	<b>+2</b>	<b>-1</b>	<b>+11</b>	<b>0</b>	<b>+12</b>	<b>+5</b>	<b>+10</b>	<b>+5</b>
WAGES BILL:	INCREASE	18	16	30	32	19	12	25	21	25	21
	DECREASE	14	9	11	11	7	10	9	5	4	7
	<b>NET BALANCE</b>	<b>+4</b>	<b>+7</b>	<b>+19</b>	<b>+21</b>	<b>+12</b>	<b>+2</b>	<b>+16</b>	<b>+16</b>	<b>+21</b>	<b>+14</b>
PRICES:	INCREASE	15	13	13	13	12	25	12	15	19	10
	DECREASE	13	7	7	5	8	4	4	2	4	2
	<b>NET BALANCE</b>	<b>+2</b>	<b>+6</b>	<b>+6</b>	<b>+8</b>	<b>+4</b>	<b>+21</b>	<b>+8</b>	<b>+13</b>	<b>+15</b>	<b>+8</b>
PROFITABILITY:	INCREASE	22	33	45	38	36	37	41	40	46	39
	DECREASE	54	27	14	20	21	24	10	13	8	11
	<b>NET BALANCE</b>	<b>-32</b>	<b>+6</b>	<b>+31</b>	<b>+18</b>	<b>+15</b>	<b>+13</b>	<b>+31</b>	<b>+27</b>	<b>+38</b>	<b>+28</b>
CAPITAL EXPENDITURE:	INCREASE	17	20	17	29	20	18	27	24	25	25
	DECREASE	18	17	21	15	19	19	18	18	21	20
	<b>NET BALANCE</b>	<b>-1</b>	<b>+3</b>	<b>-4</b>	<b>+14</b>	<b>+1</b>	<b>-1</b>	<b>+9</b>	<b>+6</b>	<b>+4</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.

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For further information on these reports, please contact: Pacific Access  
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MAY 1998

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