

# 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 periods; 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 Sweeney Research. 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 most comprehensive 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 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 1999) survey was conducted over the period 26th July to 10th August 1999. The report covers the experience over the past three months (May to July 1999) and expectations for both the current quarter (August to October 1999) and the 12 months ending August 2000.

### 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>

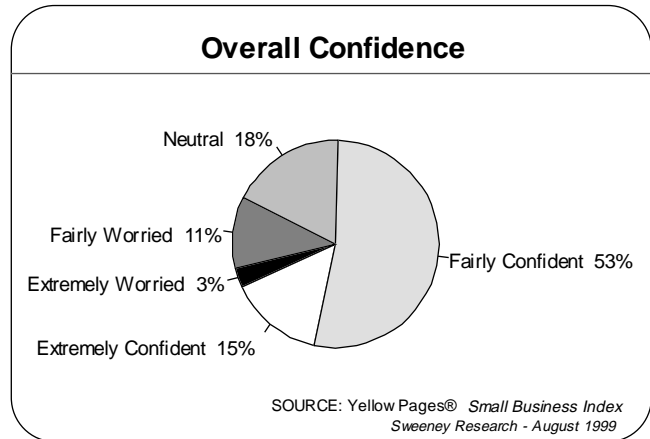
# Small Business Outlook - National Summary

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

Nationally, small business confidence for business prospects over the next 12 months is high and stable. More than two-thirds of proprietors are confident and only 14% worried about their business in this period. The net level of confidence at 54% has changed little over the previous two quarters and remains at consistently high levels not seen since the boom in 1994.

The stable national figure disguises fluctuations at the state and territory level. Confidence picked up strongly in South Australia but fell significantly in Western Australia and Tasmania. Across the states and territories confidence is now highest in South Australia and the ACT.

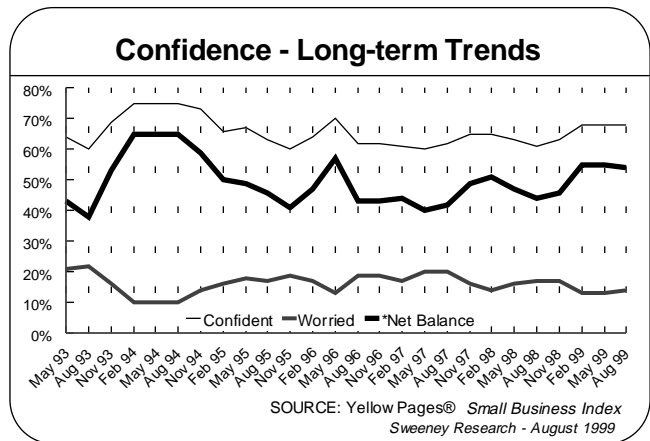
Across the sectors, proprietors in Building/Construction are the most confident. Confidence in this sector is at record levels.



### Confidence Trends - Past Five Quarters

	Aug 98	Nov 98	Feb 99	May 99	Aug 99
Extremely Confident	10%	11%	14%	15%	15%
Fairly Confident	51%	52%	54%	54%	53%
Neutral	22%	20%	19%	18%	18%
Fairly Worried	14%	14%	11%	11%	11%
Extremely Worried	3%	2%	2%	3%	3%
<b>Total Confident</b>	<b>61%</b>	<b>63%</b>	<b>68%</b>	<b>68%</b>	<b>68%</b>
<b>Total Worried</b>	<b>17%</b>	<b>17%</b>	<b>13%</b>	<b>13%</b>	<b>14%</b>
<b>*NET BALANCE</b>	<b>+44%</b>	<b>+46%</b>	<b>+55%</b>	<b>+55%</b>	<b>+54%</b>

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999



### Trends By State \*Net Balance

	Aug 98	Nov 98	Feb 99	May 99	Aug 99
NATIONAL	44%	46%	55%	55%	54%
NSW	43%	49%	46%	56%	53%
VIC	40%	44%	60%	59%	54%
QLD	45%	44%	60%	44%	51%
SA	45%	61%	62%	59%	71%
WA	50%	41%	66%	62%	47%
TAS	20%	30%	40%	40%	30%
NT	53%	49%	74%	55%	49%
ACT	40%	56%	66%	60%	65%

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999

### Trends By Sector \*Net Balance

	Aug 98	Nov 98	Feb 99	May 99	Aug 99
All Businesses	44%	46%	55%	55%	54%
Manufacturing	31%	43%	57%	52%	43%
Building/Construction	44%	60%	64%	57%	65%
Wholesale/Retail	40%	37%	49%	51%	45%
Transport/Storage	33%	35%	50%	43%	50%
Business Services	47%	48%	57%	62%	59%
Personal Services	49%	54%	58%	53%	56%

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999



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

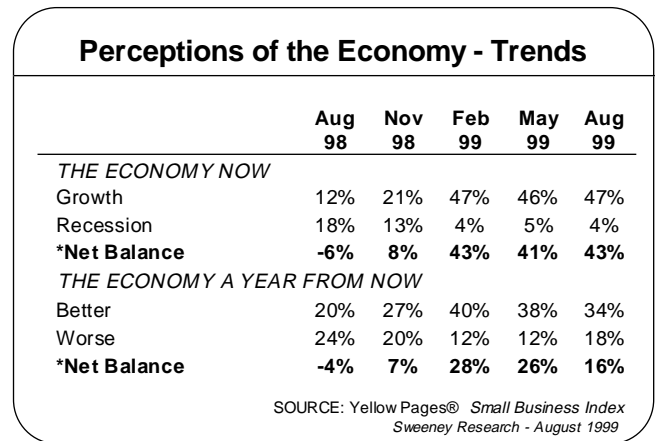
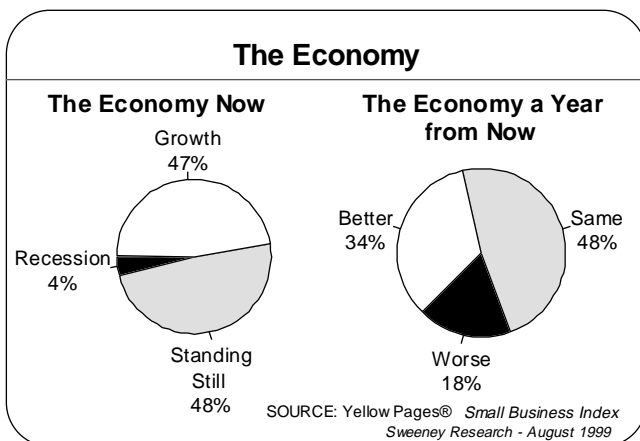
## PERCEPTIONS OF ECONOMY

Almost half of the proprietors surveyed believe that the economy is growing, with only 4% seeing it in recession. In each of the past three surveys, a net of more than 40% believed the economy to be in growth mode – again the strongest result since the 1994 boom.

Across the states and territories, proprietors in the ACT are most positive and those in Western Australia least so. Only proprietors in Victoria and the Northern Territory are less positive than they were three months ago.

Proprietors in Business Services have the highest perception of the economy. The net 55% believing the economy is growing is the highest level since February 1994.

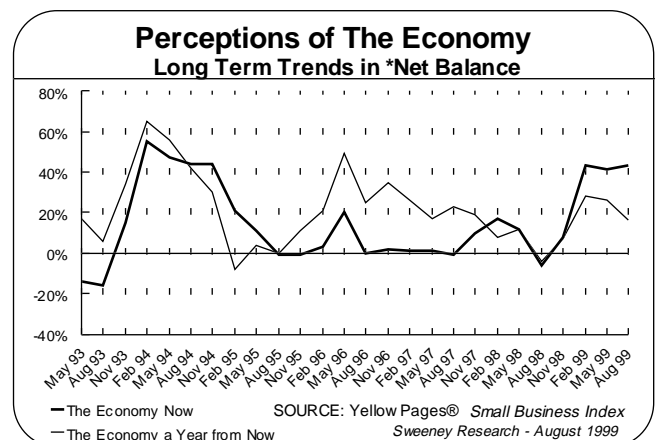
Despite buoyant perceptions of the economy now, proprietors in all states, the ACT and all sectors have lower expectations for the economy a year from now.



### Perceptions of the Economy by State

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
<i>THE ECONOMY NOW</i>								
Growth	49%	52%	41%	51%	30%	42%	35%	63%
Recession	4%	2%	4%	2%	11%	3%	1%	3%
<b>*Net Balance</b>	<b>45%</b>	<b>50%</b>	<b>37%</b>	<b>49%</b>	<b>19%</b>	<b>39%</b>	<b>34%</b>	<b>60%</b>
<i>THE ECONOMY A YEAR FROM NOW</i>								
Better	36%	30%	35%	39%	31%	38%	36%	36%
Worse	20%	16%	18%	17%	20%	8%	18%	15%
<b>*Net Balance</b>	<b>16%</b>	<b>14%</b>	<b>17%</b>	<b>22%</b>	<b>11%</b>	<b>30%</b>	<b>18%</b>	<b>21%</b>

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999



*\*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 for the next 12 months were fairly stable across most indicators. Continued solid growth in sales is expected, as are higher job numbers.

However, compared with the previous quarter, more proprietors believe they will be increasing their prices in the next 12 months and fewer expect to increase their capital expenditure.

### Expectations On Key Indicators Over The Next 12 Months

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	66%	11%	55%
Size of workforce	25%	4%	21%
Wages bill	40%	6%	34%
Prices charged	50%	3%	47%
Profitability	61%	12%	49%
Capital expenditure	36%	19%	17%

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999

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

	Aug 98	Nov 98	Feb 99	May 99	Aug 99
Value of sales	50%	51%	56%	54%	55%
Size of workforce	18%	22%	21%	20%	21%
Wages bill	34%	38%	36%	36%	34%
Prices charged	43%	42%	41%	42%	47%
Profitability	47%	49%	54%	53%	49%
Capital expenditure	18%	21%	24%	21%	17%

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999

## CONCERNS

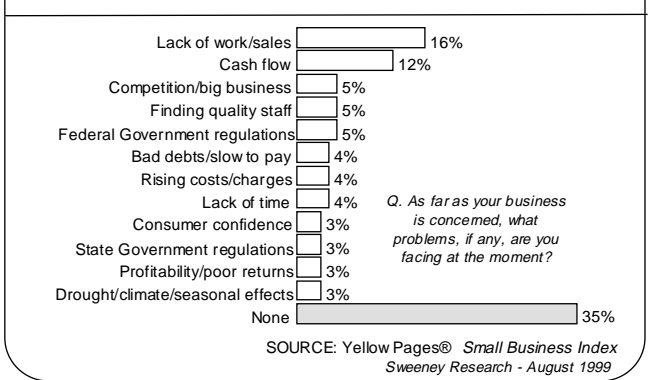
The proportion of small business proprietors with no concerns continues at high levels, albeit slightly down on six months ago.

Across the states and territories:

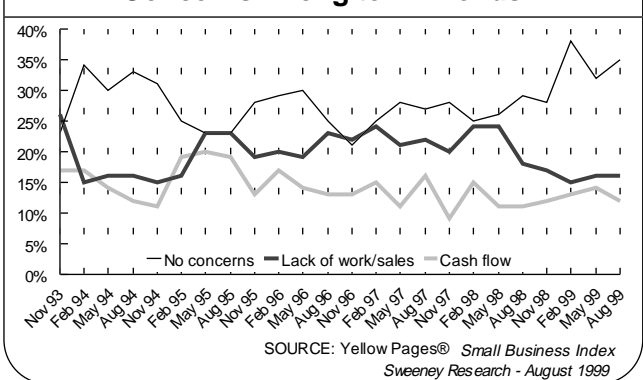
The major concerns continue to be lack of sales and cash flow. There was a slight increase in the proportion of proprietors concerned about Federal Government regulations.

- 40% in Tasmania were concerned about lack of work/sales; and
- 10% in Western Australia were concerned by drought/climate/seasonal effects.

### Prime Concerns



### Concerns - Long-term Trends



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

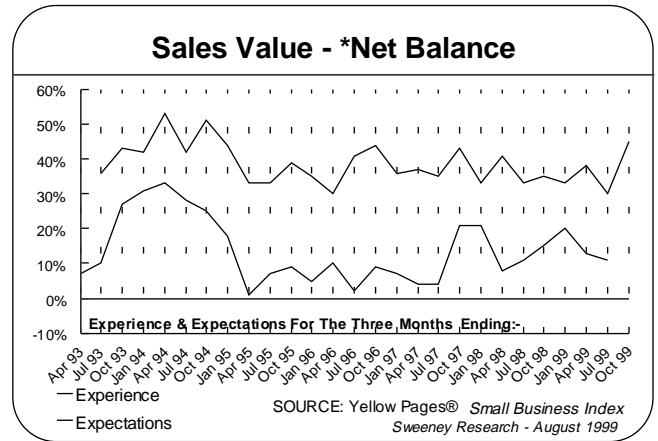
**SALES**

Nationally, sales growth remained strong, despite a slight fall in the net proportion of proprietors reporting increased sales. Sales growth levels have been very strong for the past eight quarters.

The slight slowdown nationally masked some sharp movements across the states and territories. Sales fell in Tasmania and sharply slowed down in New South Wales. In contrast, sales in Victoria rebounded strongly.

Across the sectors, sales growth strengthened in Building/Construction but slowed sharply in Manufacturing and Wholesale/Retail Trade. Sales continued to decline in Transport/Storage.

Despite the slight slowing in the past quarter, proprietors were very optimistic about sales for the current quarter. Expectations rose strongly in all states but fell in the Northern Territory. In Queensland and South Australia, sales expectations are now the strongest since 1994.



**EMPLOYMENT**

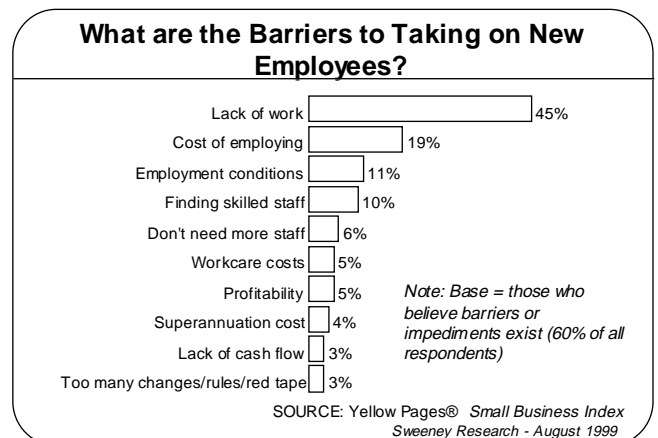
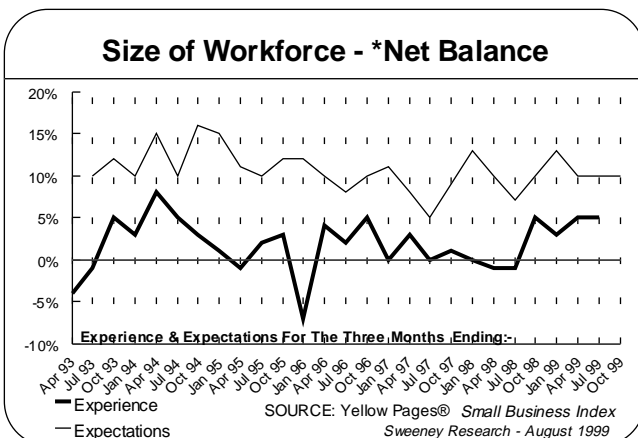
Small business proprietors reported continued strong employment growth in the July quarter 1999. The past four quarters have seen the strongest growth since the middle of 1994.

The strength in employment growth was not consistent. Growth in employment was strongest in New South Wales, which reported its highest level since the Index began in May 1993. Proprietors in Western Australia, Tasmania and the Northern Territory, on the other hand, reported lower jobs numbers.

All sectors reported continued jobs growth with only Building/Construction reporting slightly slower growth.

The outlook for the current quarter is for continued growth in jobs numbers. Only in the Northern Territory are proprietors' expectations significantly less optimistic.

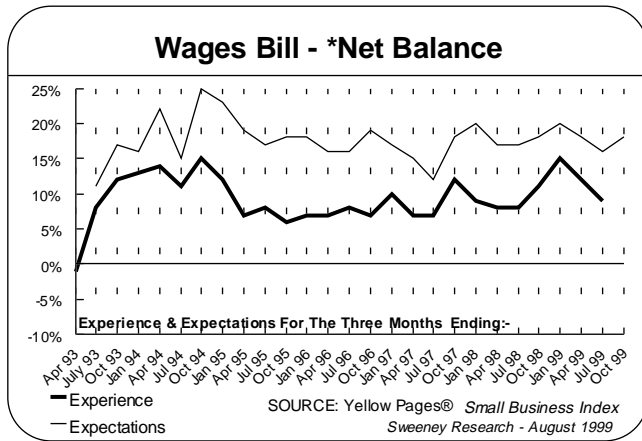
Consistent with the prime concerns of small business, the major impediment to taking on more employees is lack of work.



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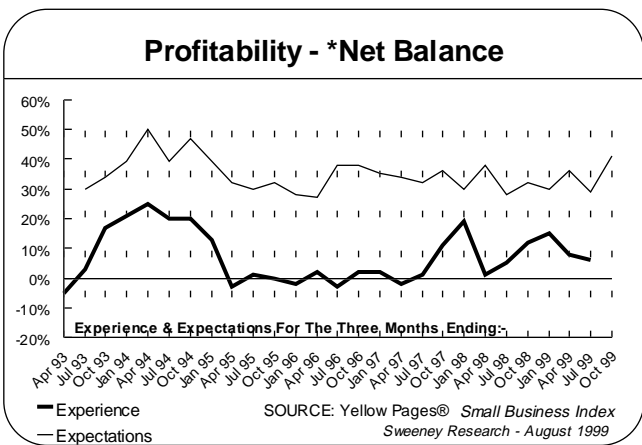


## WAGES BILL



Despite strong employment growth, wages bill increases were lower in the past quarter. Expectations are for little change in this rate of growth in the current quarter

## PROFITABILITY AND CAPITAL EXPENDITURE

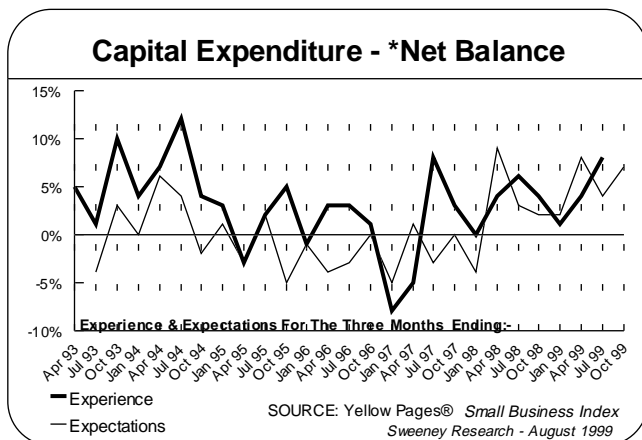


Consistent with the slightly slower sales growth reported in the July quarter, profitability growth also slowed slightly.

Across the states and territories, profits fell in Tasmania, Western Australia and Queensland. Only in Victoria was profit growth higher than in the previous quarter.

Profits continued to fall in Transport and Storage. Slight increases in profit growth were recorded in Building/Construction and in Business Services.

Despite this slowdown, proprietors are confident that profits will turn around in the current quarter. Expectations for increased profits are the highest since the July quarter 1994.



While profit growth has slowed, small business proprietors continue to increase their capital expenditure. A net eight per cent reported higher expenditure, the highest level since the July quarter 1997.

Across the states and territories, strong growth was reported in the ACT, Queensland and New South Wales.

Only proprietors in Personal Services reported slower capital expenditure growth.

Further growth is expected in the current quarter.

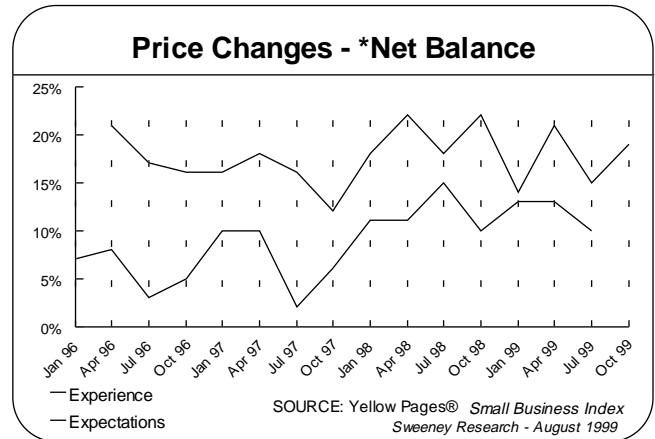


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## PRICES

Small business proprietors reported slightly lower price increases in the past quarter. The slowdown in price increases was most marked in New South Wales, Queensland and the Northern Territory.

Price expectations are slightly firmer for the current quarter but below previous peaks.



## ASSESSMENT OF FEDERAL POLICIES

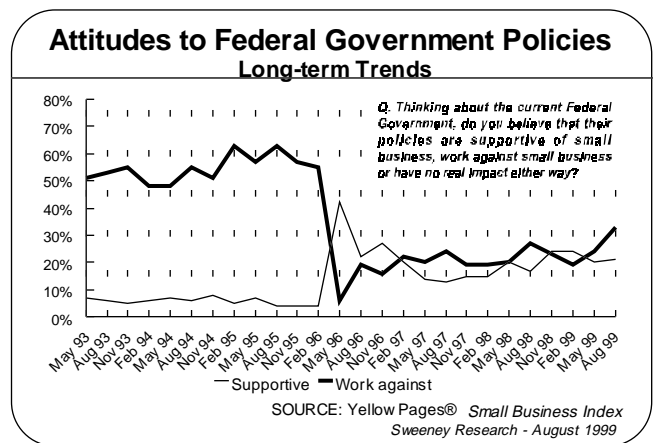
A net 12% of small business proprietors see the Government's policies as working against small business, compared to six months ago when a net 5% saw the Government as supportive.

The main unprompted reasons provided by one-third of small businesses that believe the Government's policies work against them are:

- GST will make it harder (39%);
- too much paperwork (17%);
- only concerned for big business (15%);
- don't support small business (11%); and
- too much bureaucracy (11%).

The main reasons for the 21% believing the Government's policies to be supportive are:

- introducing a GST (28%);
- tax reform (25%);
- trying to help small business (17%);
- more interested in small business (15%);
- better awareness of needs (14%); and
- industrial relations policy (11%).

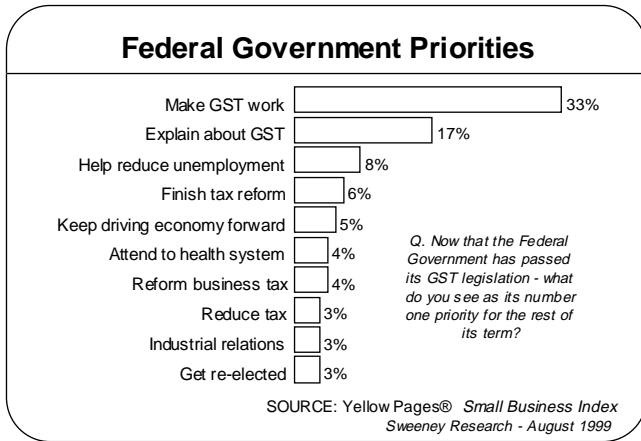


Attitudes to Federal Government Policies					
	Aug 98	Nov 98	Feb 99	May 99	Aug 99
Supportive	17%	24%	24%	20%	21%
Work against	27%	23%	19%	24%	33%
No impact	56%	53%	57%	56%	46%
<b>*Net Balance</b>	<b>-10%</b>	<b>1%</b>	<b>5%</b>	<b>-4%</b>	<b>-12%</b>

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999

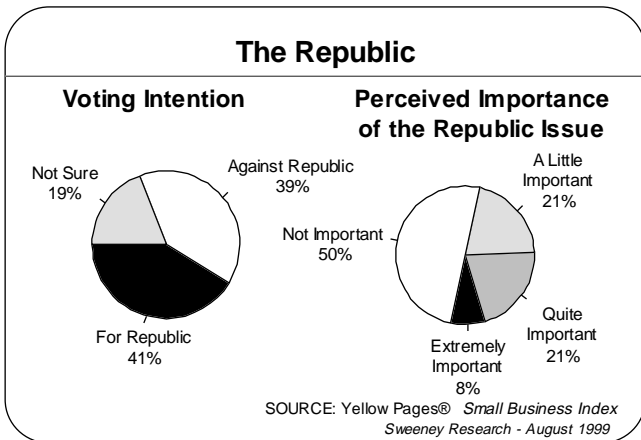
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## FEDERAL GOVERNMENT PRIORITIES



Small business proprietors were asked to nominate the major priority for the Federal Government now that the GST legislation has been passed. Around one-half nominated priorities associated with **implementing** the GST. While the legislation has been passed, the GST clearly remains an issue for small business and a further 13% nominated other tax reform issues.

Excluding tax, the priorities are seen to be reducing unemployment, driving forward the economy, the health system and industrial relations.



It is noteworthy that only a handful (1%) identified the republic as a Federal Government **priority**. Specific questions on this topical issue reveal that small business proprietors are evenly split in their support or opposition to Australia becoming a republic.

However, interest in the issue is strikingly underwhelming. One-half believed the issue is not important and further one-in-five considered it of little importance.

### Prompted Attitudes to the GST

	Nov 98	May 99	Aug 99
<b>I'm in favour of the GST</b>			
Agree	62%	58%	55%
Disagree	36%	36%	33%
<b>Net Balance</b>	<b>26%</b>	<b>22%</b>	<b>22%</b>
<b>I'm worried about the complexity involved in complying</b>			
Agree	61%	72%	74%
Disagree	35%	24%	21%
<b>Net Balance</b>	<b>26%</b>	<b>48%</b>	<b>53%</b>
<b>Do you think that as a result of the Government's tax package, your business will be..</b>			
Better off	N/A	20%	16%
Worse off	N/A	33%	40%
<b>Net Balance</b>	<b>N/A</b>	<b>(13%)</b>	<b>(24%)</b>

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999

Returning to the GST, it is of interest to examine how views on this subject have changed over recent months.

Since May 1999, the proportion who agreed that they are in favour of the GST has declined marginally – but so has the proportion who disagree - in net terms, this represents no real change.

More agree and fewer disagree that they are worried about compliance.

There is an increasing perception that their business will be worse off as a result of the tax package.

## ASSESSMENT OF STATE GOVERNMENT POLICIES

### Attitudes to State or Territory Government Policies - August 1999

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Supportive	7%	35%	11%	14%	8%	8%	57%	22%
Work against	23%	15%	17%	20%	20%	19%	13%	19%
No impact	70%	49%	71%	65%	72%	70%	30%	58%
<b>*Net Balance</b>	<b>-16%</b>	<b>+20%</b>	<b>-6%</b>	<b>-6%</b>	<b>-12%</b>	<b>-11%</b>	<b>+44%</b>	<b>+3%</b>

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999

In six of the eight states and territories, small business proprietors considered that, on balance, their state or territory government works against them rather than for them. The exceptions are Victoria, where those who rate the government as supportive outnumber those who believe the government to be working against small business and the Northern Territory, where proprietors are very positive about the impact the Burke Government is having on the small business sector.

Despite this positive evaluation, support for both governments declined during the quarter, as it did in Western Australia and New South Wales.

### Attitudes to State or Territory Government Policies - Trends in \*Net Balance

	Aug 98	Nov 98	Feb 99	May 99	Aug 99
NSW	-24%	-17%	-17%	-13%	-16%
VIC	28%	22%	30%	27%	20%
QLD	-5%	5%	8%	-8%	-6%
SA	-12%	-5%	-10%	-5%	-6%
WA	-8%	-10%	-7%	3%	-12%
TAS	-19%	2%	-10%	-12%	-11%
NT	43%	46%	48%	51%	44%
ACT	12%	-2%	-4%	-1%	3%

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999

One of the factors leading to the decline in support in Victoria, appears to be an increased perception that the Government is more concerned with big business.

## VICTORIAN GOVERNMENT VOTING INTENTIONS

### Voting Trends Victoria

	Feb 99	Aug 99
Liberal	58%	58%
National	0%	1%
ALP	12%	13%
Democrat	2%	3%
Other	1%	5%
Undecided	20%	14%
Refused	5%	5%

SOURCE: Yellow Pages® Small Business Index  
Sweeney Research - August 1999

Small business support for the Kennett Coalition Government remains strong. This is consistent with the continued positive appraisal of the Victorian Government policies and the general identification of small business with the Liberal Party.

While voting intentions are little changed over the past six months, support for the Liberal Party in the State election is well up on the actual reported vote for the Liberal Party in Victoria in the 1998 Federal election (50%).

## STATE OR TERRITORY GOVERNMENT PRIORITIES

Proprietors were asked "What do you see as the number one priority for the government in your state and territory?"

Proprietors identified a common set of issues for state and territory governments:

- the health system (14% on average);
- reducing unemployment or job creation (13%);
- keeping the economy driving forward (6%); and
- dealing with social problems or drugs (6%).

The **health** system was spontaneously identified as the equal first priority nationally and number one in New South Wales and Victoria.

Across Australia, proprietors placed the health system in the top three priorities for five of the eight states and territories.

**Unemployment** and **job creation** are equal first priorities nationally and number one in Queensland, South Australia, Tasmania and the ACT.

Across Australia, proprietors place unemployment reduction in the top three priorities for seven of the eight state or territory governments.

Keeping the **economy strong and growing** is equal third priority nationally.

The economy ranks in the top three priorities in four of the eight state/territories.

**Dealing with social problems or drugs** is also equal third priority nationally, mainly reflecting the high priority attached to these issues in Victoria and New South Wales.

Special local issues receiving high priority are:

- "the Olympics" in New South Wales- where comments focused on the need to "sort out" the issues and "stop overspending";
- "progressing the Darwin - Alice Springs railway" in the Northern Territory;
- "tackling environmental issues or forest conservation" in Western Australia; and
- "running an efficient government" in the ACT.

### State or Territory Government Priorities

<b>NSW</b>		<b>Victoria</b>	
Health system	21%	Health system	13%
Olympics	13%	Reduce unemployment	11%
Reduce unemployment	8%	Drive economy	11%
<b>Queensland</b>		<b>South Australia</b>	
Reduce unemployment	24%	Reduce unemployment	15%
Implementing GST	9%	Health system	14%
Encourage small business	8%	Drive economy	11%
<b>Western Australia</b>		<b>Tasmania</b>	
Environment/forests	15%	Reduce unemployment	39%
Health system	12%	Drive economy	17%
Reduce unemployment	6%	Attract industry	7%
Education	6%	Re-election	7%
<b>Northern Territory</b>		<b>A.C.T.</b>	
Darwin - Alice Railway	14%	Reduce unemployment	10%
Capital works program	9%	Run efficient government	9%
Drive economy	7%	Health system	8%

SOURCE: Yellow Pages® *Small Business Index*  
Sweeney Research - August 1999

On the issue of social problems, a series of special questions in the latest Index reveals that many small businesses have been touched by crime. Close to four out of 10 report that their business was affected by crime in the past year, with burglary/robbery and vandalism being the most common problems experienced. One-third described crime as a major problem in their area.

# Small Business Outlook - National

- Confidence remains strong
- Sales and profit growth strong but slower, rebound expected
- Continued strong employment growth
- Support for Federal Government policies fell

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1998	NOV 1998	FEB 1999	MAY 1999	AUG 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	61	63	68	68	68					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	17	17	13	13	14					
	<b>NET BALANCE</b>	<b>+44</b>	<b>+46</b>	<b>+55</b>	<b>+55</b>	<b>+54</b>					
		<b>ACTUAL EXPERIENCE DURING:</b>					<b>EXPECTATIONS FOR:</b>				
		MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	39	39	41	39	38	45	46	48	42	54
	DECREASE	28	24	21	26	27	10	13	10	12	9
	<b>NET BALANCE</b>	<b>+11</b>	<b>+15</b>	<b>+20</b>	<b>+13</b>	<b>+11</b>	<b>+35</b>	<b>+33</b>	<b>+38</b>	<b>+30</b>	<b>+45</b>
SIZE OF WORKFORCE:	INCREASE	12	15	12	15	14	13	16	13	13	14
	DECREASE	13	10	9	10	9	3	3	3	3	4
	<b>NET BALANCE</b>	<b>-1</b>	<b>+5</b>	<b>+3</b>	<b>+5</b>	<b>+5</b>	<b>+10</b>	<b>+13</b>	<b>+10</b>	<b>+10</b>	<b>+10</b>
WAGES BILL:	INCREASE	21	22	24	23	21	23	25	23	23	23
	DECREASE	13	11	9	10	12	5	5	5	7	5
	<b>NET BALANCE</b>	<b>+8</b>	<b>+11</b>	<b>+15</b>	<b>+12</b>	<b>+9</b>	<b>+18</b>	<b>+20</b>	<b>+18</b>	<b>+16</b>	<b>+18</b>
PRICES:	INCREASE	20	18	19	17	16	25	17	24	18	21
	DECREASE	5	8	6	4	6	3	3	3	3	2
	<b>NET BALANCE</b>	<b>+15</b>	<b>+10</b>	<b>+13</b>	<b>+13</b>	<b>+10</b>	<b>+22</b>	<b>+14</b>	<b>+21</b>	<b>+15</b>	<b>+19</b>
PROFITABILITY:	INCREASE	34	37	37	35	34	42	44	46	42	50
	DECREASE	29	25	22	27	28	10	14	10	13	9
	<b>NET BALANCE</b>	<b>+5</b>	<b>+12</b>	<b>+15</b>	<b>+8</b>	<b>+6</b>	<b>+32</b>	<b>+30</b>	<b>+36</b>	<b>+29</b>	<b>+41</b>
CAPITAL EXPENDITURE:	INCREASE	25	24	21	22	26	21	24	25	24	25
	DECREASE	19	20	20	18	18	19	22	17	20	18
	<b>NET BALANCE</b>	<b>+6</b>	<b>+4</b>	<b>+1</b>	<b>+4</b>	<b>+8</b>	<b>+2</b>	<b>+2</b>	<b>+8</b>	<b>+4</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 - NSW

- Confidence slightly down
- Sales and profits growth fell, expected to recover strongly
- Very strong employment growth, expected to continue

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1998	NOV 1998	FEB 1999	MAY 1999	AUG 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	61	64	64	69	68					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	18	15	18	13	15					
	<b>NET BALANCE</b>	<b>+43</b>	<b>+49</b>	<b>+46</b>	<b>+56</b>	<b>+53</b>					
		<b>ACTUAL EXPERIENCE DURING:</b>					<b>EXPECTATIONS FOR:</b>				
		MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	40	41	38	43	35	46	49	47	43	56
	DECREASE	28	20	22	24	27	8	12	8	14	10
	<b>NET BALANCE</b>	<b>+12</b>	<b>+21</b>	<b>+16</b>	<b>+19</b>	<b>+8</b>	<b>+38</b>	<b>+37</b>	<b>+39</b>	<b>+29</b>	<b>+46</b>
SIZE OF WORKFORCE:	INCREASE	13	19	11	18	19	14	18	14	14	16
	DECREASE	15	10	12	8	6	4	2	4	1	5
	<b>NET BALANCE</b>	<b>-2</b>	<b>+9</b>	<b>-1</b>	<b>+10</b>	<b>+13</b>	<b>+10</b>	<b>+16</b>	<b>+10</b>	<b>+13</b>	<b>+11</b>
WAGES BILL:	INCREASE	21	24	27	23	20	25	25	23	23	23
	DECREASE	12	11	13	11	8	5	5	6	5	3
	<b>NET BALANCE</b>	<b>+9</b>	<b>+13</b>	<b>+14</b>	<b>+12</b>	<b>+12</b>	<b>+20</b>	<b>+20</b>	<b>+17</b>	<b>+18</b>	<b>+20</b>
PRICES:	INCREASE	16	21	22	18	15	24	15	24	18	21
	DECREASE	4	7	4	1	6	4	3	3	3	3
	<b>NET BALANCE</b>	<b>+12</b>	<b>+14</b>	<b>+18</b>	<b>+17</b>	<b>+9</b>	<b>+20</b>	<b>+12</b>	<b>+21</b>	<b>+15</b>	<b>+18</b>
PROFITABILITY:	INCREASE	34	39	35	36	33	44	47	48	45	53
	DECREASE	29	21	23	26	26	7	12	7	14	9
	<b>NET BALANCE</b>	<b>+5</b>	<b>+18</b>	<b>+12</b>	<b>+10</b>	<b>+7</b>	<b>+37</b>	<b>+35</b>	<b>+41</b>	<b>+31</b>	<b>+44</b>
CAPITAL EXPENDITURE:	INCREASE	25	24	20	22	28	23	24	23	24	24
	DECREASE	21	19	22	20	17	15	22	18	20	19
	<b>NET BALANCE</b>	<b>+4</b>	<b>+5</b>	<b>-2</b>	<b>+2</b>	<b>+11</b>	<b>+8</b>	<b>+2</b>	<b>+5</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.

# Small Business Outlook - Victoria

- Confidence down to national average
- Sales and profit growth sharply up with further rises expected
- Continued modest employment growth, expected to continue
- Capital expenditure continues to grow strongly, expected to continue

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1998	NOV 1998	FEB 1999	MAY 1999	AUG 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	58	62	70	69	68					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	18	18	10	10	14					
	<b>NET BALANCE</b>	<b>+40</b>	<b>+44</b>	<b>+60</b>	<b>+59</b>	<b>+54</b>					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	43	39	42	39	45	45	44	48	40	50
	DECREASE	29	25	21	27	21	14	12	14	11	9
	<b>NET BALANCE</b>	<b>+14</b>	<b>+14</b>	<b>+21</b>	<b>+12</b>	<b>+24</b>	<b>+31</b>	<b>+32</b>	<b>+34</b>	<b>+29</b>	<b>+41</b>
SIZE OF WORKFORCE:	INCREASE	12	13	11	14	10	12	15	14	13	10
	DECREASE	14	8	8	10	7	2	4	2	4	3
	<b>NET BALANCE</b>	<b>-2</b>	<b>+5</b>	<b>+3</b>	<b>+4</b>	<b>+3</b>	<b>+10</b>	<b>+11</b>	<b>+12</b>	<b>+9</b>	<b>+7</b>
WAGES BILL:	INCREASE	24	20	27	23	26	21	25	22	23	19
	DECREASE	12	10	7	9	9	6	7	4	6	6
	<b>NET BALANCE</b>	<b>+12</b>	<b>+10</b>	<b>+20</b>	<b>+14</b>	<b>+17</b>	<b>+15</b>	<b>+18</b>	<b>+18</b>	<b>+17</b>	<b>+13</b>
PRICES:	INCREASE	24	15	15	15	15	27	18	22	16	20
	DECREASE	4	9	6	3	3	2	4	2	3	1
	<b>NET BALANCE</b>	<b>+20</b>	<b>+6</b>	<b>+9</b>	<b>+12</b>	<b>+12</b>	<b>+25</b>	<b>+14</b>	<b>+20</b>	<b>+13</b>	<b>+19</b>
PROFITABILITY:	INCREASE	37	37	40	36	39	44	42	44	41	48
	DECREASE	29	28	21	28	24	11	14	14	12	10
	<b>NET BALANCE</b>	<b>+8</b>	<b>+9</b>	<b>+19</b>	<b>+8</b>	<b>+15</b>	<b>+33</b>	<b>+28</b>	<b>+30</b>	<b>+29</b>	<b>+38</b>
CAPITAL EXPENDITURE:	INCREASE	25	24	24	23	26	22	26	26	27	28
	DECREASE	15	19	20	12	19	18	21	20	17	16
	<b>NET BALANCE</b>	<b>+10</b>	<b>+5</b>	<b>+4</b>	<b>+11</b>	<b>+7</b>	<b>+4</b>	<b>+5</b>	<b>+6</b>	<b>+10</b>	<b>+12</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 rebounds
- Sales growth remained modest, but expected to improve
- Job numbers increased and expected to continue
- Profits continue to fall, but expected to turnaround

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1998	NOV 1998	FEB 1999	MAY 1999	AUG 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	62	62	70	63	65					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	17	18	10	19	14					
	<b>NET BALANCE</b>	<b>+45</b>	<b>+44</b>	<b>+60</b>	<b>+44</b>	<b>+51</b>					
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	40	40	45	34	36	46	45	48	46	60
	DECREASE	21	22	18	33	33	8	13	9	9	6
	<b>NET BALANCE</b>	<b>+19</b>	<b>+18</b>	<b>+27</b>	<b>+1</b>	<b>+3</b>	<b>+38</b>	<b>+32</b>	<b>+39</b>	<b>+37</b>	<b>+54</b>
SIZE OF WORKFORCE:	INCREASE	10	12	15	11	15	12	15	12	14	15
	DECREASE	11	12	5	13	9	5	2	2	7	3
	<b>NET BALANCE</b>	<b>-1</b>	<b>0</b>	<b>+10</b>	<b>-2</b>	<b>+6</b>	<b>+7</b>	<b>+13</b>	<b>+10</b>	<b>+7</b>	<b>+12</b>
WAGES BILL:	INCREASE	18	24	23	22	20	22	27	28	23	27
	DECREASE	14	10	4	11	20	6	3	4	8	5
	<b>NET BALANCE</b>	<b>+4</b>	<b>+14</b>	<b>+19</b>	<b>+11</b>	<b>0</b>	<b>+16</b>	<b>+24</b>	<b>+24</b>	<b>+15</b>	<b>+22</b>
PRICES:	INCREASE	18	14	17	18	14	19	15	24	18	24
	DECREASE	7	7	8	6	10	2	2	1	2	1
	<b>NET BALANCE</b>	<b>+11</b>	<b>+7</b>	<b>+9</b>	<b>+12</b>	<b>+4</b>	<b>+17</b>	<b>+13</b>	<b>+23</b>	<b>+16</b>	<b>+23</b>
PROFITABILITY:	INCREASE	33	38	38	30	28	40	44	47	43	55
	DECREASE	25	27	19	31	31	10	19	10	10	6
	<b>NET BALANCE</b>	<b>+8</b>	<b>+11</b>	<b>+19</b>	<b>-1</b>	<b>-3</b>	<b>+30</b>	<b>+25</b>	<b>+37</b>	<b>+33</b>	<b>+49</b>
CAPITAL EXPENDITURE:	INCREASE	28	29	20	20	28	22	18	27	22	28
	DECREASE	18	21	20	22	15	22	25	14	22	18
	<b>NET BALANCE</b>	<b>+10</b>	<b>+8</b>	<b>0</b>	<b>-2</b>	<b>+13</b>	<b>0</b>	<b>-7</b>	<b>+13</b>	<b>0</b>	<b>+10</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 up to highest since August 1994 - now higher than any other state or territory
- Continued strong sales and profit growth, expected to improve
- Employment growth slowed but still strong

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1998	NOV 1998	FEB 1999	MAY 1999	AUG 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	66	72	69	72	77					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	9	11	7	13	6					
	<b>NET BALANCE</b>	<b>+57</b>	<b>+61</b>	<b>+62</b>	<b>+59</b>	<b>+71</b>					
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	30	41	45	45	43	43	44	43	39	53
	DECREASE	29	22	18	17	23	7	6	9	16	3
	<b>NET BALANCE</b>	<b>+1</b>	<b>+19</b>	<b>+27</b>	<b>+28</b>	<b>+20</b>	<b>+36</b>	<b>+38</b>	<b>+34</b>	<b>+24</b>	<b>+50</b>
SIZE OF WORKFORCE:	INCREASE	11	17	14	16	12	11	16	15	10	11
	DECREASE	6	13	5	7	8	2	3	3	1	2
	<b>NET BALANCE</b>	<b>+5</b>	<b>+4</b>	<b>+9</b>	<b>+9</b>	<b>+4</b>	<b>+9</b>	<b>+13</b>	<b>+12</b>	<b>+9</b>	<b>+9</b>
WAGES BILL:	INCREASE	21	22	14	23	28	21	25	25	25	24
	DECREASE	10	8	11	9	8	6	5	5	9	3
	<b>NET BALANCE</b>	<b>+11</b>	<b>+14</b>	<b>+3</b>	<b>+14</b>	<b>+20</b>	<b>+15</b>	<b>+20</b>	<b>+20</b>	<b>+16</b>	<b>+21</b>
PRICES:	INCREASE	26	23	24	16	22	33	19	31	24	18
	DECREASE	5	7	5	9	4	3	1	5	7	2
	<b>NET BALANCE</b>	<b>+21</b>	<b>+16</b>	<b>+19</b>	<b>+7</b>	<b>+18</b>	<b>+30</b>	<b>+18</b>	<b>+26</b>	<b>+17</b>	<b>+16</b>
PROFITABILITY:	INCREASE	27	35	39	39	40	43	44	40	36	53
	DECREASE	33	23	20	19	28	7	8	9	15	4
	<b>NET BALANCE</b>	<b>-6</b>	<b>+12</b>	<b>+19</b>	<b>+20</b>	<b>+12</b>	<b>+36</b>	<b>+36</b>	<b>+31</b>	<b>+21</b>	<b>+49</b>
CAPITAL EXPENDITURE:	INCREASE	22	18	20	21	21	11	28	21	30	25
	DECREASE	15	20	19	19	20	16	21	19	16	13
	<b>NET BALANCE</b>	<b>+7</b>	<b>-2</b>	<b>+1</b>	<b>+2</b>	<b>+1</b>	<b>-5</b>	<b>+7</b>	<b>+2</b>	<b>+14</b>	<b>+12</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

- Confidence slumped
- Sales growth slowed sharply
- Profits down
- Job numbers fell

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1998	NOV 1998	FEB 1999	MAY 1999	AUG 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	66	60	75	75	65					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	16	19	9	13	18					
	<b>NET BALANCE</b>	<b>+50</b>	<b>+41</b>	<b>+66</b>	<b>+62</b>	<b>+47</b>					
		<b>ACTUAL EXPERIENCE DURING:</b>					<b>EXPECTATIONS FOR:</b>				
		MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	32	33	44	35	34	41	40	49	40	47
	DECREASE	38	31	29	24	31	13	21	11	14	15
	<b>NET BALANCE</b>	<b>-6</b>	<b>+2</b>	<b>+15</b>	<b>+11</b>	<b>+3</b>	<b>+28</b>	<b>+19</b>	<b>+38</b>	<b>+26</b>	<b>+32</b>
SIZE OF WORKFORCE:	INCREASE	10	12	13	15	10	12	14	10	13	17
	DECREASE	15	10	11	15	19	1	4	4	6	6
	<b>NET BALANCE</b>	<b>-5</b>	<b>+2</b>	<b>+2</b>	<b>0</b>	<b>-9</b>	<b>+11</b>	<b>+10</b>	<b>+6</b>	<b>+7</b>	<b>+11</b>
WAGES BILL:	INCREASE	17	17	17	26	15	21	16	21	19	24
	DECREASE	21	13	9	8	19	3	8	6	7	7
	<b>NET BALANCE</b>	<b>-4</b>	<b>+4</b>	<b>+8</b>	<b>+18</b>	<b>-4</b>	<b>+18</b>	<b>+8</b>	<b>+15</b>	<b>+12</b>	<b>+17</b>
PRICES:	INCREASE	25	18	20	18	19	26	26	24	21	20
	DECREASE	2	8	7	6	9	3	1	3	2	8
	<b>NET BALANCE</b>	<b>+23</b>	<b>+10</b>	<b>+13</b>	<b>+12</b>	<b>+10</b>	<b>+23</b>	<b>+25</b>	<b>+21</b>	<b>+19</b>	<b>+12</b>
PROFITABILITY:	INCREASE	31	31	33	30	25	34	40	45	37	40
	DECREASE	37	29	25	23	33	14	19	9	14	16
	<b>NET BALANCE</b>	<b>-6</b>	<b>+2</b>	<b>+8</b>	<b>+7</b>	<b>-8</b>	<b>+20</b>	<b>+21</b>	<b>+36</b>	<b>+23</b>	<b>+24</b>
CAPITAL EXPENDITURE:	INCREASE	26	22	19	27	20	17	20	22	15	21
	DECREASE	22	24	17	15	24	26	25	16	23	20
	<b>NET BALANCE</b>	<b>+4</b>	<b>-2</b>	<b>+2</b>	<b>+12</b>	<b>-4</b>	<b>-9</b>	<b>-5</b>	<b>+6</b>	<b>-8</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 - Tasmania

- Confidence fell
- Sales and profits fell, but expected to rebound
- Job numbers continue to fall

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1998	NOV 1998	FEB 1999	MAY 1999	AUG 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE	44	48	51	59	54
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	24	18	11	19	24
	<b>NET BALANCE</b>	<b>+20</b>	<b>+30</b>	<b>+40</b>	<b>+40</b>	<b>+30</b>
<b>ACTUAL EXPERIENCE DURING:</b>						
		MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999
		%	%	%	%	%
<b>EXPECTATIONS FOR:</b>						
		AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999
		%	%	%	%	%
SALES VALUE:	INCREASE	24	25	37	41	28
	DECREASE	35	42	20	32	37
	<b>NET BALANCE</b>	<b>-11</b>	<b>-17</b>	<b>+17</b>	<b>+9</b>	<b>-9</b>
		<b>+21</b>	<b>+58</b>	<b>+31</b>	<b>+10</b>	<b>+38</b>
SIZE OF WORKFORCE:	INCREASE	11	16	10	8	4
	DECREASE	10	14	12	12	12
	<b>NET BALANCE</b>	<b>+1</b>	<b>+2</b>	<b>-2</b>	<b>-4</b>	<b>-8</b>
		<b>-2</b>	<b>+9</b>	<b>+2</b>	<b>+7</b>	<b>+13</b>
WAGES BILL:	INCREASE	20	17	15	20	15
	DECREASE	13	17	8	9	20
	<b>NET BALANCE</b>	<b>+7</b>	<b>0</b>	<b>+7</b>	<b>+11</b>	<b>-5</b>
		<b>+11</b>	<b>+22</b>	<b>+4</b>	<b>+8</b>	<b>+23</b>
PRICES:	INCREASE	31	29	18	18	12
	DECREASE	4	11	11	6	5
	<b>NET BALANCE</b>	<b>+27</b>	<b>+18</b>	<b>+7</b>	<b>+12</b>	<b>+7</b>
		<b>+31</b>	<b>+21</b>	<b>+10</b>	<b>+3</b>	<b>+12</b>
PROFITABILITY:	INCREASE	21	23	31	37	25
	DECREASE	29	38	21	28	39
	<b>NET BALANCE</b>	<b>-8</b>	<b>-15</b>	<b>+10</b>	<b>+9</b>	<b>-14</b>
		<b>+21</b>	<b>+50</b>	<b>+28</b>	<b>+5</b>	<b>+36</b>
CAPITAL EXPENDITURE:	INCREASE	18	22	15	21	20
	DECREASE	25	24	22	21	16
	<b>NET BALANCE</b>	<b>-7</b>	<b>-2</b>	<b>-7</b>	<b>0</b>	<b>+4</b>
		<b>-14</b>	<b>+12</b>	<b>0</b>	<b>-5</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 - NT

- Confidence fell
- Sales growth rebounded though expectations weaker
- Profits continued to grow

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1998	NOV 1998	FEB 1999	MAY 1999	AUG 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	65	68	82	64	67					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	12	19	8	9	18					
	<b>NET BALANCE</b>	<b>+53</b>	<b>+49</b>	<b>+74</b>	<b>+55</b>	<b>+49</b>					
		<b>ACTUAL EXPERIENCE DURING:</b>					<b>EXPECTATIONS FOR:</b>				
		MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	56	39	30	38	35	48	26	75	61	52
	DECREASE	12	32	33	40	29	6	30	2	6	12
	<b>NET BALANCE</b>	<b>+44</b>	<b>+7</b>	<b>-3</b>	<b>-2</b>	<b>+6</b>	<b>+42</b>	<b>-4</b>	<b>+73</b>	<b>+55</b>	<b>+40</b>
SIZE OF WORKFORCE:	INCREASE	24	15	11	20	11	12	13	32	19	14
	DECREASE	14	25	14	13	17	5	8	2	4	7
	<b>NET BALANCE</b>	<b>+10</b>	<b>-10</b>	<b>-3</b>	<b>+7</b>	<b>-6</b>	<b>+7</b>	<b>+5</b>	<b>+30</b>	<b>+15</b>	<b>+7</b>
WAGES BILL:	INCREASE	35	22	15	19	19	22	17	38	30	20
	DECREASE	10	17	16	16	19	7	14	3	5	11
	<b>NET BALANCE</b>	<b>+25</b>	<b>+5</b>	<b>-1</b>	<b>+3</b>	<b>0</b>	<b>+15</b>	<b>+3</b>	<b>+35</b>	<b>+25</b>	<b>+9</b>
PRICES :	INCREASE	26	20	20	16	12	27	17	22	16	16
	DECREASE	7	8	6	5	8	2	2	0	2	5
	<b>NET BALANCE</b>	<b>+19</b>	<b>+12</b>	<b>+14</b>	<b>+11</b>	<b>+4</b>	<b>+25</b>	<b>+15</b>	<b>+22</b>	<b>+14</b>	<b>+11</b>
PROFITABILITY:	INCREASE	48	37	24	37	35	48	34	66	58	49
	DECREASE	12	30	24	31	29	11	28	3	8	10
	<b>NET BALANCE</b>	<b>+36</b>	<b>+7</b>	<b>0</b>	<b>+6</b>	<b>+6</b>	<b>+37</b>	<b>+6</b>	<b>+63</b>	<b>+50</b>	<b>+39</b>
CAPITAL EXPENDITURE:	INCREASE	34	25	21	26	22	26	18	31	29	32
	DECREASE	18	24	24	20	27	19	28	19	14	29
	<b>NET BALANCE</b>	<b>+16</b>	<b>+1</b>	<b>-3</b>	<b>+6</b>	<b>-5</b>	<b>+7</b>	<b>-10</b>	<b>+12</b>	<b>+15</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 - ACT

- Confidence bounced back
- Sales and profit growth continues to be exceptionally strong
- Strong employment growth continues
- Capital expenditure increased

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

SOURCE: Yellow Pages®  
Small Business Index

		AUG 1998	NOV 1998	FEB 1999	MAY 1999	AUG 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	61	70	76	70	72					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	21	14	10	10	7					
	<b>NET BALANCE</b>	<b>+40</b>	<b>+56</b>	<b>+66</b>	<b>+60</b>	<b>+65</b>					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL	AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL	AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL	AUG-OCT
		1998	1998	98/99	1999	1999	1998	98/99	1999	1999	1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	49	56	50	48	56	45	43	50	46	51
	DECREASE	21	15	14	15	16	10	18	13	11	10
	<b>NET BALANCE</b>	<b>+28</b>	<b>+41</b>	<b>+36</b>	<b>+33</b>	<b>+40</b>	<b>+35</b>	<b>+25</b>	<b>+37</b>	<b>+35</b>	<b>+41</b>
SIZE OF WORKFORCE:	INCREASE	10	21	7	17	17	11	18	13	14	14
	DECREASE	13	7	8	10	8	4	3	5	8	6
	<b>NET BALANCE</b>	<b>-3</b>	<b>+14</b>	<b>-1</b>	<b>+7</b>	<b>+9</b>	<b>+7</b>	<b>+15</b>	<b>+8</b>	<b>+6</b>	<b>+8</b>
WAGES BILL:	INCREASE	26	29	18	19	23	25	20	22	24	19
	DECREASE	13	5	11	12	3	5	5	6	9	6
	<b>NET BALANCE</b>	<b>+13</b>	<b>+24</b>	<b>+7</b>	<b>+7</b>	<b>+20</b>	<b>+20</b>	<b>+15</b>	<b>+16</b>	<b>+15</b>	<b>+13</b>
PRICES:	INCREASE	15	18	13	19	21	20	11	19	19	25
	DECREASE	7	5	7	7	5	3	2	1	0	1
	<b>NET BALANCE</b>	<b>+8</b>	<b>+13</b>	<b>+6</b>	<b>+12</b>	<b>+16</b>	<b>+17</b>	<b>+9</b>	<b>+18</b>	<b>+19</b>	<b>+24</b>
PROFITABILITY:	INCREASE	45	48	49	46	47	41	47	45	37	47
	DECREASE	20	16	11	13	18	9	15	11	11	8
	<b>NET BALANCE</b>	<b>+25</b>	<b>+32</b>	<b>+38</b>	<b>+33</b>	<b>+29</b>	<b>+32</b>	<b>+32</b>	<b>+34</b>	<b>+26</b>	<b>+39</b>
CAPITAL EXPENDITURE:	INCREASE	26	28	17	21	27	36	28	30	22	26
	DECREASE	17	19	23	19	13	20	21	9	16	18
	<b>NET BALANCE</b>	<b>+9</b>	<b>+9</b>	<b>-6</b>	<b>+2</b>	<b>+14</b>	<b>+16</b>	<b>+7</b>	<b>+2</b>	<b>+6</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.

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## YELLOW PAGES® *SMALL BUSINESS INDEX* "SPECIAL REPORTS"

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