

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 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 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 (May 1999) survey was conducted over the period 27th April to 11th May 1999. The report covers the experience over the past three months (February to April 1999) and expectations for both the current quarter (May to July 1999) and the 12 months ending May 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	—
TOTAL	1200	910	290

Division

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

Small Business Outlook - National Summary

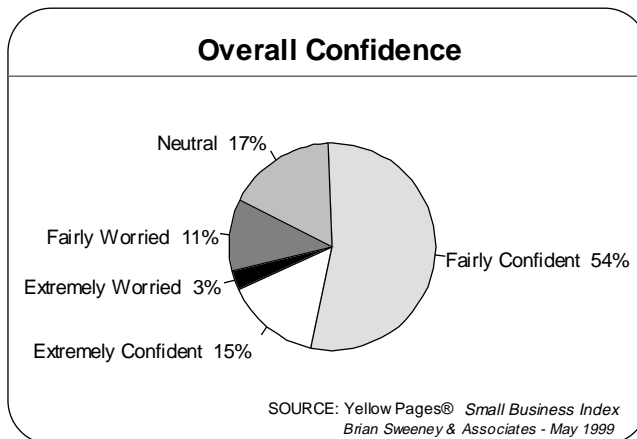
CONFIDENCE IN OWN BUSINESS PROSPECTS OVER THE NEXT 12 MONTHS

Confidence among Australia's small business proprietors remained strong over the three months to May.

NSW showed a significant increase in business confidence and was the only state/territory to record such a lift.

Queensland and Tasmania are the least confident states, with Queensland showing a dramatic fall in confidence.

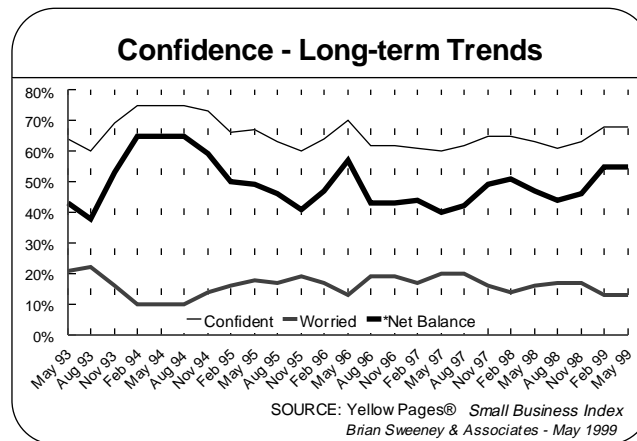
Confidence also fell significantly in the Northern Territory.



Confidence Trends - Past Five Quarters

	May 98	Aug 98	Nov 98	Feb 99	May 99
Extremely Confident	10%	10%	11%	14%	15%
Fairly Confident	53%	51%	52%	54%	54%
Neutral	22%	22%	20%	19%	18%
Fairly Worried	12%	14%	14%	11%	11%
Extremely Worried	3%	3%	2%	2%	3%
Total Confident	63%	61%	63%	68%	68%
Total Worried	16%	17%	17%	13%	13%
*NET BALANCE	+47%	+44%	+46%	+55%	+55%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999



Trends By State

***Net Balance**

	May 98	Aug 98	Nov 98	Feb 99	May 99
NATIONAL	47%	44%	46%	55%	55%
NSW	45%	43%	49%	46%	56%
VIC	52%	40%	44%	60%	59%
QLD	41%	45%	44%	60%	44%
SA	57%	45%	61%	62%	59%
WA	51%	50%	41%	66%	62%
TAS	34%	20%	30%	40%	40%
NT	46%	53%	49%	74%	55%
ACT	43%	40%	56%	66%	60%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Trends By Sector

***Net Balance**

	May 98	Aug 98	Nov 98	Feb 99	May 99
All Businesses	47%	44%	46%	55%	55%
Manufacturing	41%	31%	43%	57%	52%
Building/Construction	51%	44%	60%	64%	57%
Wholesale/Retail	35%	40%	37%	49%	51%
Transport/Storage	35%	33%	35%	50%	43%
Business Services	54%	47%	48%	57%	62%
Personal Services	57%	49%	54%	58%	53%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999



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

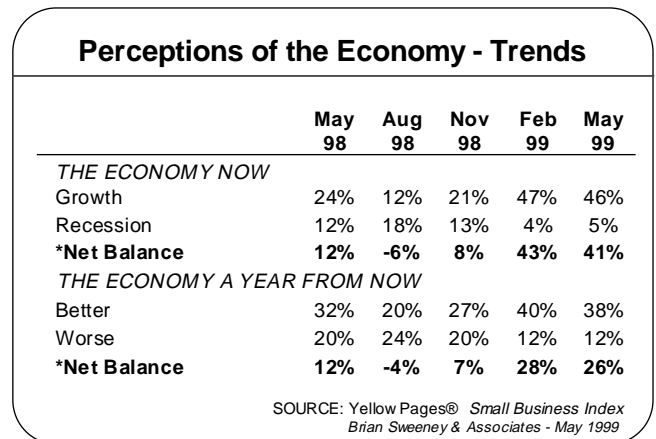
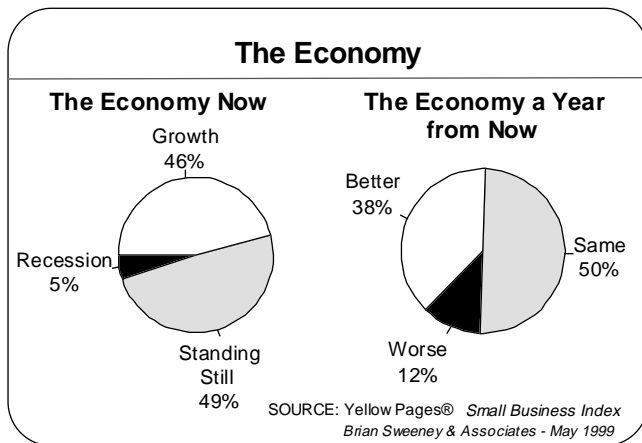
PERCEPTIONS OF ECONOMY

Proprietor perceptions of the economy are largely positive and little changed from the previous quarter. Almost half of proprietors see the economy as growing, with 5% seeing it as being in recession.

For the second successive quarter, expectations for the economy were well below perceptions of the economy now. The previous time this occurred was in late 1994, ahead of the 1995 slow down.

Victorian and ACT proprietors continue to have the most positive assessment of the economy with NSW proprietors, perhaps driven by the Olympics, having the most positive expectations of an improved economy in 12 months' time.

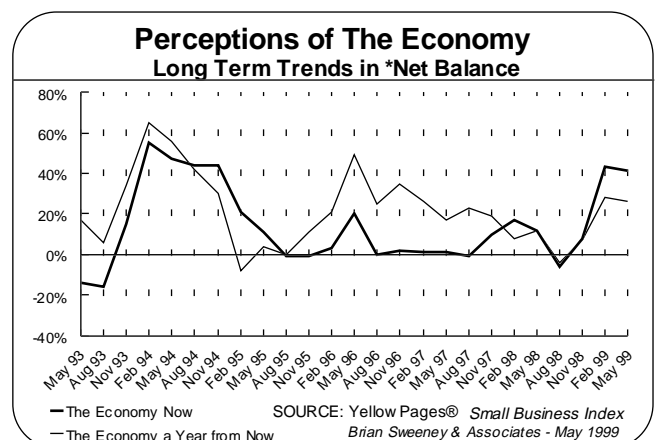
Those in Building/Construction have the most positive perceptions of the economy and together with Wholesale/Retail, reported the only upswing between the February and May surveys.



Perceptions of the Economy by State

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
<i>THE ECONOMY NOW</i>								
Growth	48%	61%	35%	41%	26%	34%	40%	58%
Recession	5%	3%	7%	5%	11%	2%	4%	3%
*Net Balance	43%	58%	28%	36%	15%	33%	36%	55%
<i>THE ECONOMY A YEAR FROM NOW</i>								
Better	42%	39%	32%	33%	34%	35%	26%	39%
Worse	12%	11%	13%	10%	12%	6%	16%	13%
*Net Balance	30%	28%	19%	23%	22%	29%	10%	26%

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

The outlook for expected growth over the next 12 months is unchanged between February and May.

Expected sales growth by small business proprietors is strongest in Victoria and the two territories.

Expectations On Key Indicators Over The Next 12 Months

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	64%	10%	54%
Size of workforce	24%	4%	20%
Wages bill	42%	6%	36%
Prices charged	44%	2%	42%
Profitability	63%	10%	53%
Capital expenditure	36%	15%	21%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

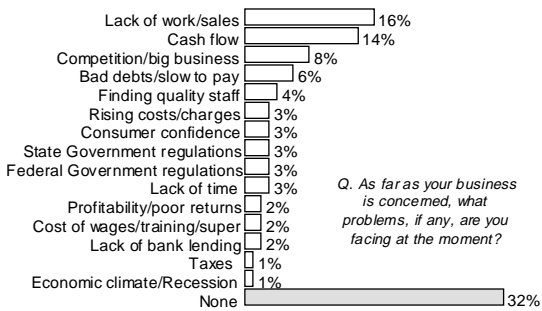
Expectations On Key Indicators Over Next 12 Months - Trends in *Net Balance

	May 98	Aug 98	Nov 98	Feb 99	May 99
Value of sales	51%	50%	51%	56%	54%
Size of workforce	19%	18%	22%	21%	20%
Wages bill	32%	34%	38%	36%	36%
Prices charged	42%	43%	42%	41%	42%
Profitability	46%	47%	49%	54%	53%
Capital expenditure	18%	18%	21%	24%	21%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

CONCERNS

Prime Concerns



SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Nationally, there was a slight increase in the number of firms reporting some problems facing their business.

Lack of work/sales and cash flow remain the top two concerns, with “competition/big business” number three.

In contrast to the stability of concerns nationally, there are significant differences between the states/territories. For instance, concern over:

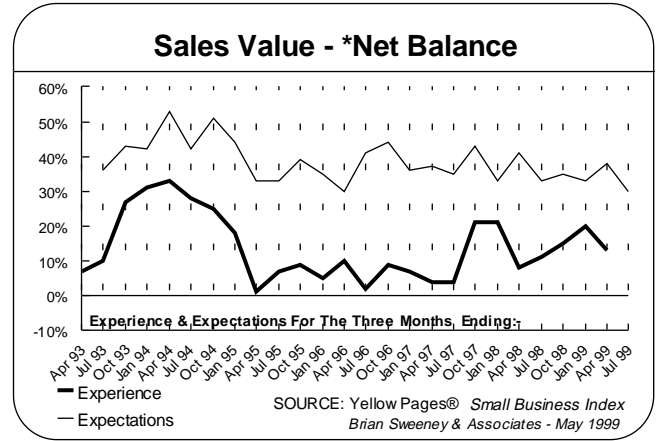
- lack of work/sales is strongest in Tasmania (33%);
- competition/big business is highest in Victoria (12%);
- cash flow is highest in Queensland (18%);
- rising costs highest in Tasmania (10%); and
- finding quality staff highest in NT (11%).

SALES

Sales growth declined after three successive growth figures.

Reported sales growth for the past three months (February-April) was strongest in the ACT and still negative in the Northern Territory. In Queensland, proprietors reported almost zero sales growth in the three months to the end of April, following an extremely strong summer.

Western Australia, ACT, Victoria and Tasmania also showed slower sales growth in the quarter. This improving confidence was not evident in the Northern Territory, South Australia and Queensland.



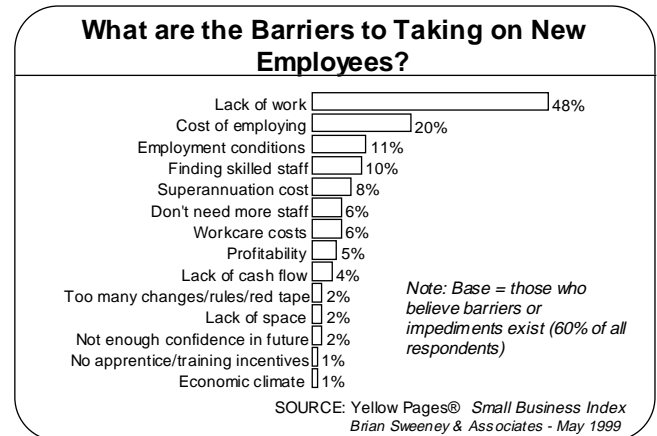
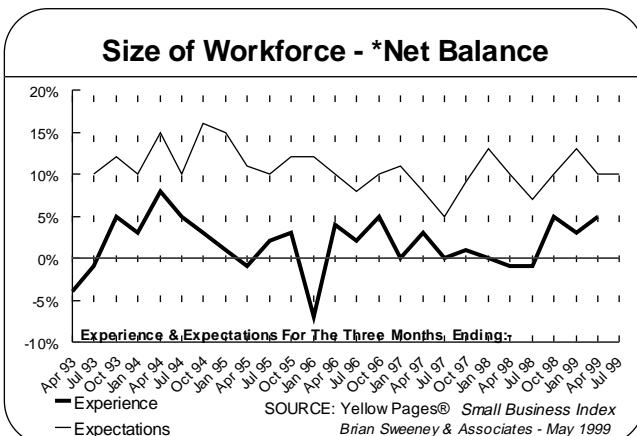
EMPLOYMENT

Jobs growth was reported for the third successive quarter. The greatest growth over the past three months occurred in New South Wales and South Australia.

Expectations for employment growth over the current three months are strongest in the Northern Territory, ACT and Queensland.

The proportion of proprietors who believed there are barriers or impediments to employing increased from 55% in February to 60% in May 1999.

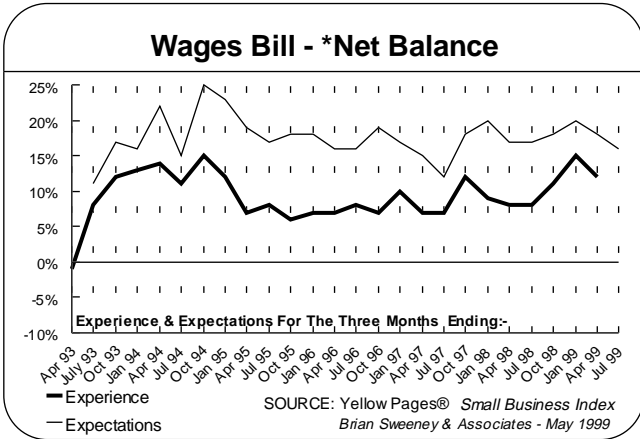
The main impediment for these proprietors is “lack of work” (48%), up from 40% in the previous quarter. Employment factors are the next main impediment, including the cost of employing (20%), employment conditions (11%) and finding skilled staff (10%). A further 10% are having difficulty finding skilled staff.



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



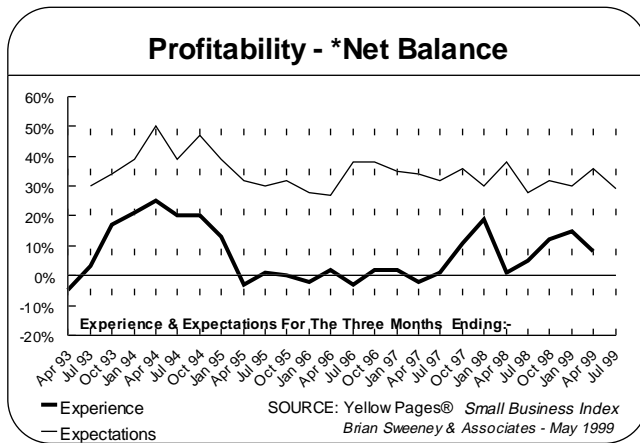
WAGES BILL



Growth in the wages bill eased slightly in the past three months (February-April) but remains high compared with the period since November 1994.

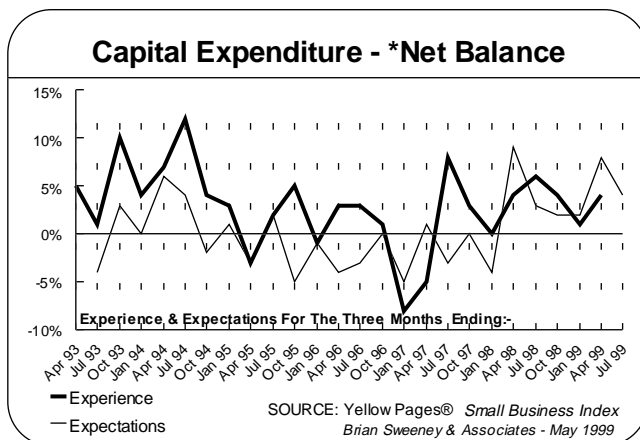
Reported wages bill growth was strongest in Western Australia, South Australia and Victoria. Across the sectors, Wholesale/Retail and Personal Services showed the largest growth.

PROFITABILITY AND CAPITAL EXPENDITURE



Nationally, there was a significant decrease in profit growth, with the greatest downturn occurring in Queensland and Victoria. This decline is consistent with the fall in sales growth reported in both states.

Capital expenditure continued to grow in the most recent three months, though expectations indicate a slowing in the next three months. Growth in the past three months was strongest in Victoria and Western Australia.

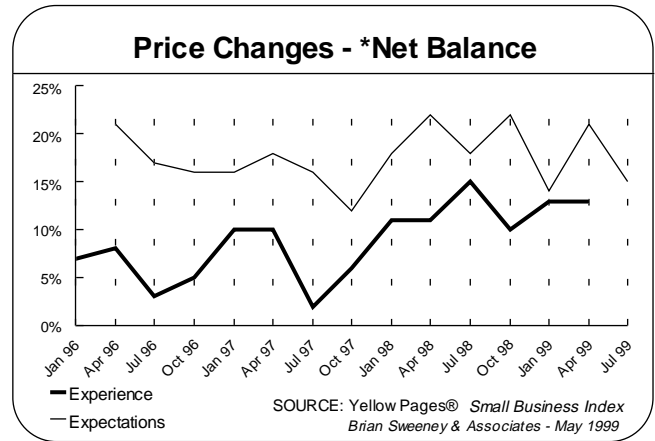


*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

PRICES

The proportion of proprietors who increased their prices remained stable at a net 13%.

Those expecting to increase their prices within the next three months declined to a net 15%.



ASSESSMENT OF FEDERAL POLICIES

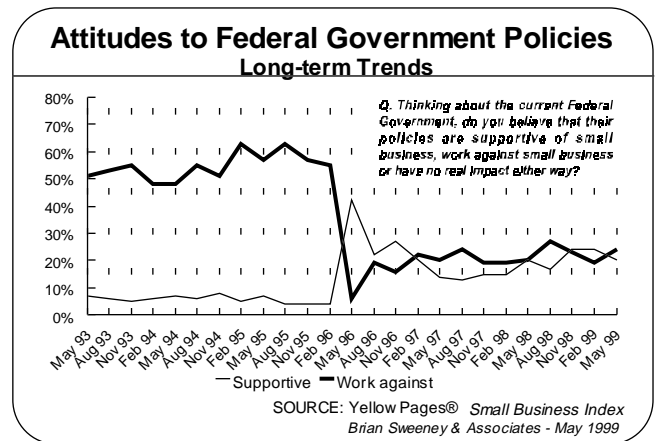
A net 4% of small business proprietors see the Government's policies as working against small business, contrasting with a net 5% seeing the Government as supportive three months ago.

The main unprompted reasons for believing the Government's policies to be supportive include:

- trying to help small business (21%);
- introducing a GST (21%);
- tax reform (13%);
- better awareness of needs (11%); and
- getting economy moving (10%).

Reasons for a negative view include:

- GST will make it harder (28%);
- too much bureaucracy (16%);
- no incentives offered (16%);
- only concerned for big business (15%); and
- too much paperwork (12%).



	May 98	Aug 98	Nov 98	Feb 99	May 99
Supportive	20%	17%	24%	24%	20%
Work against	20%	27%	23%	19%	24%
No impact	60%	56%	53%	57%	56%
*Net Balance	0%	-10%	1%	5%	-4%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

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



THE GST AND THE TAX PACKAGE

Background

The Government's detailed proposals for a Goods and Services Tax (GST) were outlined in the tax package announced in August 1998.

The package, for A New Tax System (ANTS) also outlined a wide range of other proposals including the intention to tax trusts as companies and the replacement of provisional tax and payments with a single integrated Pay as You Go (PAYG) system.

Small business attitudes to the GST/Tax Package were explored in the November 1998 Index.

In the latest (May 1999) survey, small business attitudes on tax reform were further explored using the same questions plus an extended set.

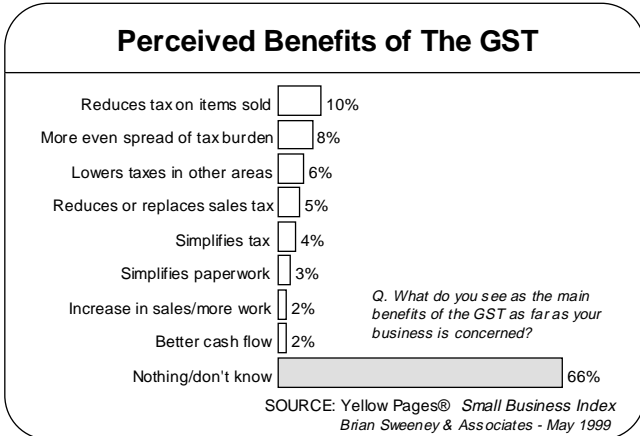
In terms of broad support for the GST and tax reform, small business attitudes have changed little, if at all, over the six months between November 1998 and May 1999.

However, there is increased concern over the complexity of the GST system and the lack of understanding of what it entails.

At this stage, only a quarter of small businesses have received specialist tax advice or attended a specialist tax seminar.

While all proprietors are aware of the GST, the majority are unaware of other key components of the tax package. For instance:

- only 39% of proprietors indicated awareness of the proposal to lower the company tax rate to 30% by abolishing accelerated depreciation; and
- only 57% of proprietors whose firms pay FBT are aware of the new FBT legislation.

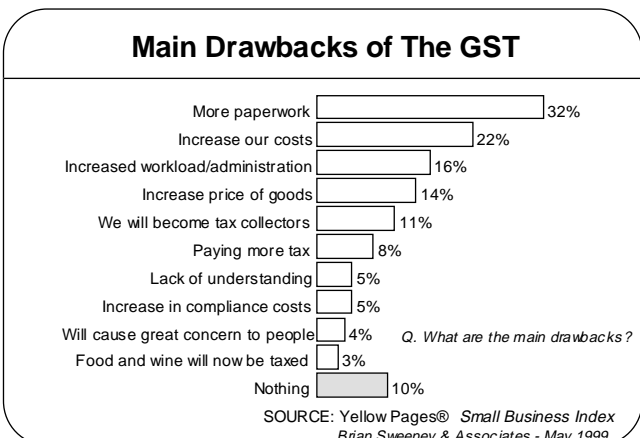


Attitudes to the GST

Only about a third of small business proprietors were able to nominate **any** benefits to their business as a result of the GST.

This is well below the 50% or so able to cite benefits in the November 1998 Index - conducted immediately after the last election.

Those who did nominate benefits usually referred to the reduction of tax in other areas and the more even spread of the tax burden.



In contrast, 90% were able to define drawbacks to the GST. These covered a variety of issues, with increased paperwork topping the list. Increased costs and the perception that "we will become tax collectors" also figure prominently.

Despite these concerns, more small business proprietors are for the GST, than against. In the latest Index, 58% agree that they are in favour of the GST (although only 32% agree strongly) and 32% are against.

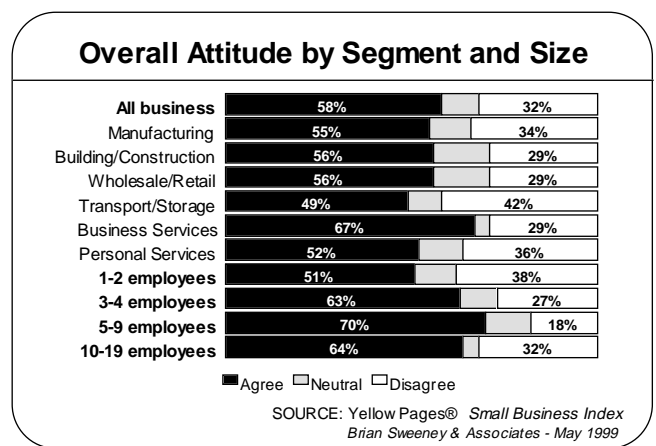
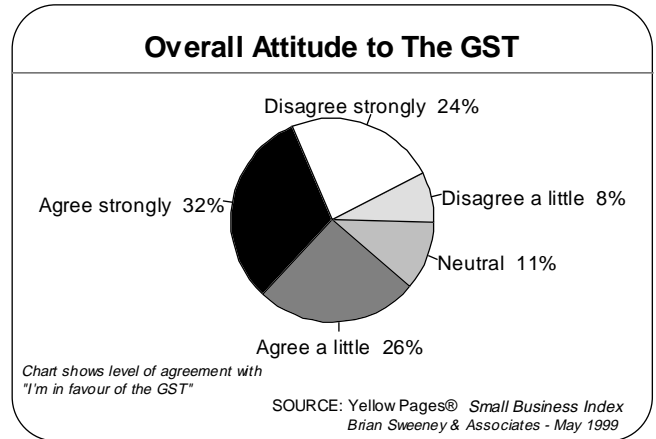
However, the degree of support for the GST has dropped a little since the November 1998 Index. In November 62% agreed that they were in favour and 36% agreed strongly.

The proportion who disagree has remained constant at the 32% level.

Those in Business Services are clearly most enthusiastic about the GST with those in Transport/Storage least so. Support peaks in the 5-9 employee business size category.

The Index also looked at the level of agreement with a number of other statements related to the GST and the tax package. As illustrated opposite:

- more than seven out of 10 agree that they are worried about the complexity of compliance;
- the majority (close to six out of 10) feel that they do not know enough to judge how the GST will affect them;
- whilst six out of 10 believe that the Government has a clear mandate to introduce a GST, almost as many (54%) believe that the Senate has a clear mandate to modify the plans; and
- over half believe that it is difficult to find adequate information on the GST.



Prompted Attitudes - General

	Agree	Neutral	Disagree
I'm worried about the complexity involved in complying with the GST	72%	4%	24%
I feel that I don't know enough about the GST to judge how it will affect me	57%	5%	38%
I believe the Government has a clear mandate to introduce a GST	60%	5%	34%
I believe the Senate has a clear mandate to modify the Government's GST plans	54%	8%	36%
It's hard to find adequate information on the GST	55%	10%	34%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Prompted Attitudes - Compensation

	Agree	Neutral	Disagree
I don't believe that the GST should be applied to food	50%	6%	44%
I think the GST should be applied to food but the compensation package for lower income groups increased	44%	12%	42%
If the GST were to exclude certain items (such as fresh food) it would make compliance costs higher	21%	26%	49%
I am concerned that the compensation package for lower income groups will become progressively less effective over time	63%	17%	17%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

A further series of statements related to the coverage of a GST (should it be applied to food?) and compensation issues.

Here we see mixed views on the issue of a GST on food - 50% agree that it should not be applied and 44% disagree. Amongst those who are in favour of a GST, about a third believe that it should not apply to food.

Views are also divided on the issue of whether the compensation package should be increased to compensate for a GST on food.

About a fifth believe that a GST excluding certain items such as fresh foods would make compliance costs higher. A sizeable 26% are neutral on this issue.

Finally, nearly two-thirds are concerned that compensation for the lower income groups will be eroded over time.

Prompted Attitudes - Trends

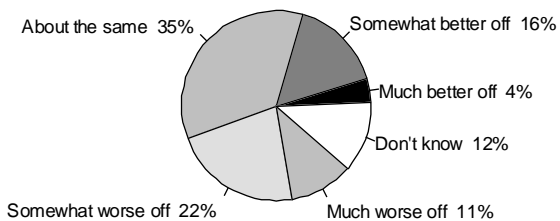
	Agree		Disagree	
	Nov '98	May '99	Nov '98	May '99
I'm worried about the complexity involved in complying	61%	72%	35%	24%
I feel that I don't know enough about the GST to judge how it will affect me	46%	57%	50%	38%
I don't believe that the GST should be applied to food	48%	50%	42%	44%
I believe the Government has a clear mandate to introduce a GST	59%	60%	37%	34%
I believe the Senate has a clear mandate to modify the Government's GST plans	55%	54%	37%	36%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

What are the trends on these aspects?

Clearly, business proprietors are becoming more worried about the complexities involved with GST compliance. Further, the passage of time has resulted in greater rather than reduced uncertainty as to how the GST would affect the small business community.

Will the Business be Better Off?



Q. Do you think that, as a result of the Government's Tax Package, your business will be...?

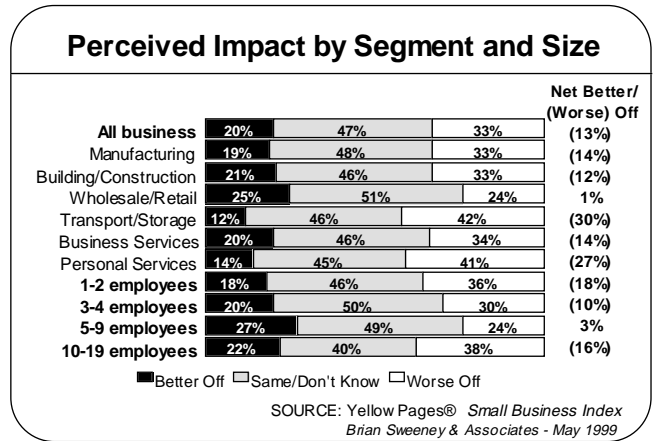
SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Proprietors were asked to indicate whether they felt that their business would be better or worse off as a result of the Government's Tax Package.

Only 20% felt that they would be better off, 33% felt that they would be worse off, 35% felt that they would be unaffected and 12% didn't know what the impact would be.

Those in the Transport/Storage sector are most likely to feel that they will be worse off while those in Wholesale/Retail are the most positive in this regard.

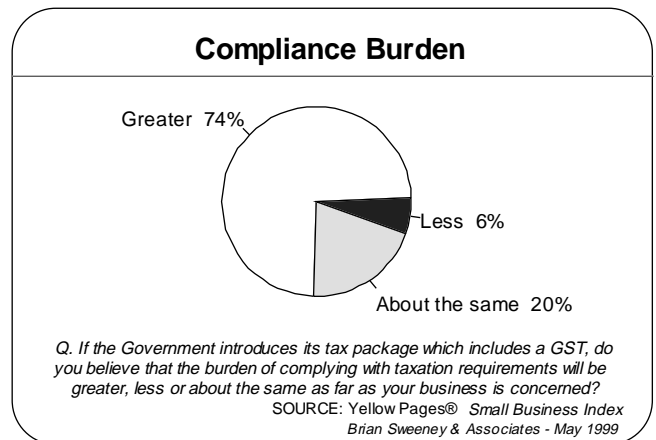
Wholesale/Retail is the only sector where the number of proprietors believing that the GST would have a positive impact on their business is greater than the number seeing the GST as having a negative impact.



When specifically asked about compliance, a high 74% felt that the burden would be greater and 6% felt that it would be less.

This compares with figures of 62% and 8% respectively in November 1998.

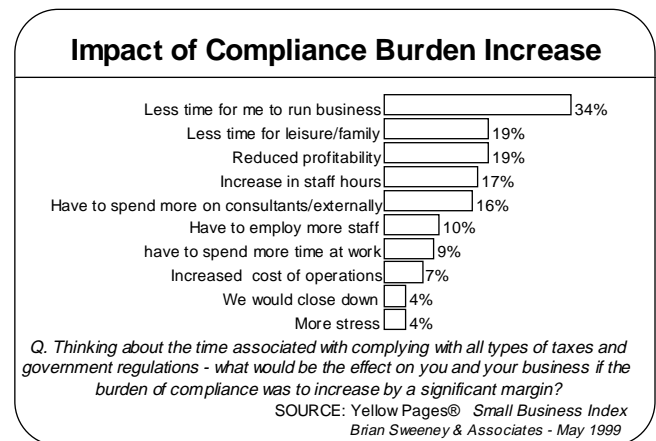
Only 35% of those who felt the burden would be greater believed that other benefits of the tax package would outweigh the increased burden; 51% believed that they would not do so.



The Index also examined the impact of an increase in the compliance burden.

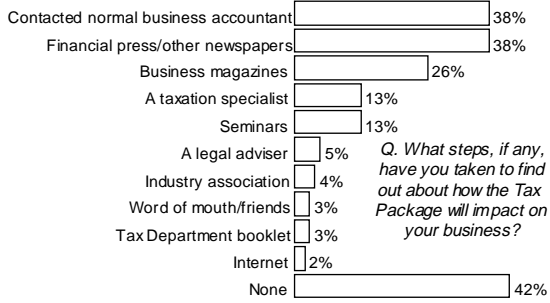
Concerns here included a feeling that there would be less time to run the business, less time for the family, reduced profitability and an increase in staff hours or number of staff.

Four per cent went so far as to suggest that they would close down.



In summary, small business proprietors show a high degree of altruism with respect to the GST. On the one hand, they foresee increased complexity and compliance burden and many believe that their business will be worse off. On the other hand, the majority continue to support the principal of a GST.

Information on The GST



SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Information Seeking

To what extent have small business proprietors been seeking information on the GST and the Tax Package?

As illustrated opposite, just under 60% have sought information - usually by contacting their accountant or reading about the tax in the press or business magazines.

Only a quarter of small businesses have sought information from either specialist seminars or a tax specialist.

Comparison of Attitudes Between Those Who Have and Have Not Sought Information

	Total	Sought Information	Not Sought Information
In Favour of the GST?			
Agree	58%	55%	60%
Neutral	10%	11%	12%
Disagree	32%	34%	28%
Impact on the Business			
Better off	20%	22%	17%
No difference	35%	2%	40%
Worse off	33%	37%	28%
Don't Know	12%	9%	16%
Compliance Burden			
Greater	74%	78%	69%
Same	20%	16%	24%
Less	6%	6%	6%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

An interesting issue is whether those who have sought information are more or less positive towards the tax.

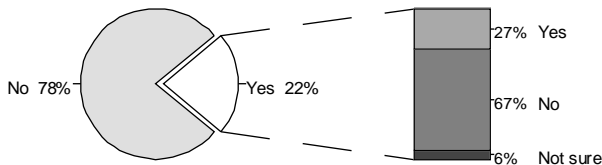
As illustrated, those who have sought information are by no means more positive about the GST.

They are less likely to be in favour, more likely to believe that they will be worse off, and more likely to see the compliance burden as greater.

Impact on Vehicle Purchase

Would you in the normal course of events expect to change your motor vehicle this year?

Have you or will you defer your purchase decision until the impact of the GST is more clear?



SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Impact on Vehicle Purchase

The Index examined the possible impact of the uncertainty surrounding the GST on the purchase of motor vehicles.

The results indicate that about one-fifth would normally expect to change their motor vehicles this year. Of these, 27% expect to defer the purchase until the impact of the GST is known.

USE OF TRUSTS AND OTHER LEGAL ENTITIES

In view of the Government's proposal to tax trusts as companies, proprietors were asked what forms of legal entities they employed in their business and family affairs.

Across Australia, almost half of small businesses use proprietary companies as their legal form. Another quarter of small businesses are partnerships. Only 10% of small businesses use unit trusts or discretionary/family trusts.

However, there is considerable variation across the states. Trusts are much more popular in Western Australia, Victoria and Queensland, and in the Wholesale/Retail sector, than they are elsewhere.

Although just 10% of businesses are operated by trusts, discretionary/family trusts are often used by the proprietors/partners of small businesses where the business itself employs some other form of legal entity.

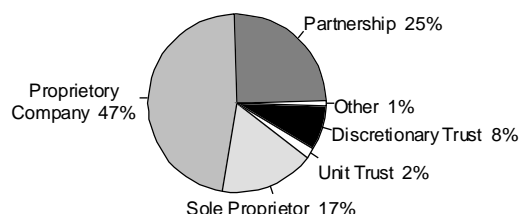
Among the 90% of small businesses which do not use a unit or discretionary/family trust at the business level, some 20% have proprietors or partners who use trust arrangements for their family/personal affairs.

In total, therefore, some 10% of all small businesses use unit or discretionary trusts as the legal entity for the business and a further 18% or so report the use of trusts by their proprietors/partners.

In other words, the Government's proposal to tax trusts as companies will affect a minimum of around 28% of all small businesses in some manner.

The bigger the firm, the more likely that trusts are used in some manner.

Structure of The Business



Q. Which of the following best describes the structure of your business?

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Structure By State

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Partnership	21%	16%	32%	38%	34%	34%	18%	20%
Proprietary Company	53%	57%	36%	36%	26%	43%	50%	42%
Sole Proprietor	22%	12%	16%	16%	17%	15%	23%	25%
Unit Trust	0%	5%	1%	1%	5%	1%	0%	1%
Discretionary Trust	3%	9%	13%	8%	16%	6%	5%	9%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Use of Trusts by Business Size

	All Business	Employees			
		1-2	3-4	5-9	10-19
Business is unit trust	2%	1%	1%	7%	1%
Business is discretionary trust	8%	8%	8%	10%	9%
Business not a trust but discretionary trust is operated	18%	12%	21%	29%	44%
Total involved in trust	28%	21%	30%	46%	54%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

CHANGES TO THE FRINGE BENEFITS TAX LEGISLATION

The Federal Government has recently passed legislation which will require companies to report certain fringe benefits on employees' group certificates.

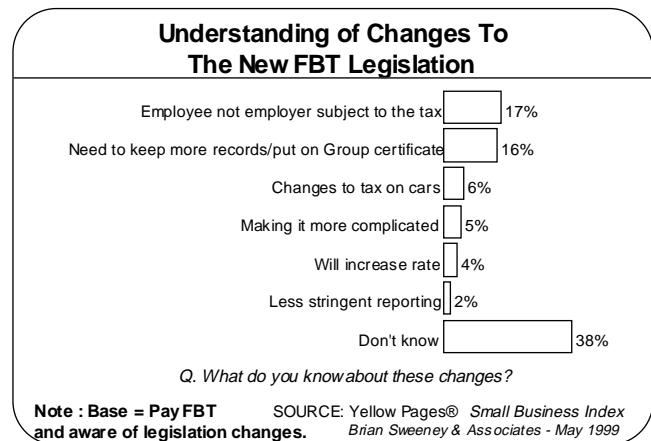
This, in itself, will not affect the amount of income tax employees will pay. However, it does mean that there may be an additional amount listed on an employee's group certificate.

This additional amount will be used to determine an employee's eligibility or liability for certain Government benefits, levies or surcharges such as Medicare, Higher Education Contribution Scheme (HECS), Superannuation Guarantee Levy and social security benefits.

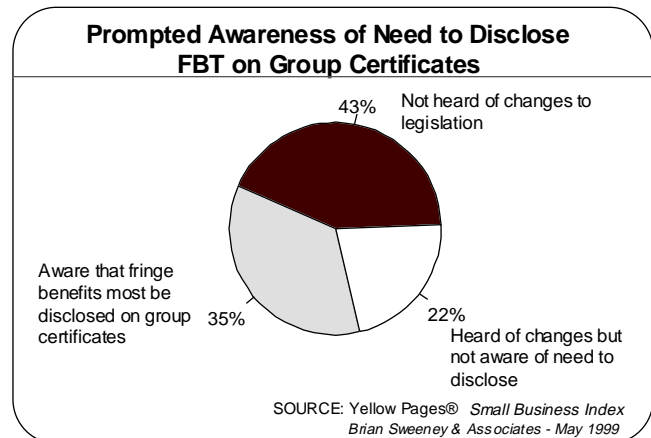
Just over one-fifth of the Small Business Index respondents currently pay FBT and would, therefore, be affected by this legislation.

They were asked whether they knew about the legislation.

While 57% of FBT payers claimed to have heard about the new legislation, few of these appeared to have a full grasp of its implications.



When specifically asked whether they were aware that these changes meant that fringe benefits needed to be disclosed on group certificates, 62% (of those aware of changes) answered in the affirmative. This equates to about one-third of all FBT payers.



OTHER TAX ISSUES

Possible changes to Capital Gains Tax legislation are also under consideration by the Government.

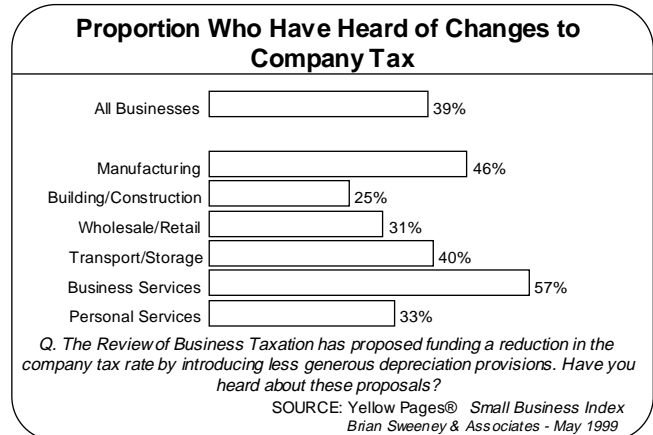
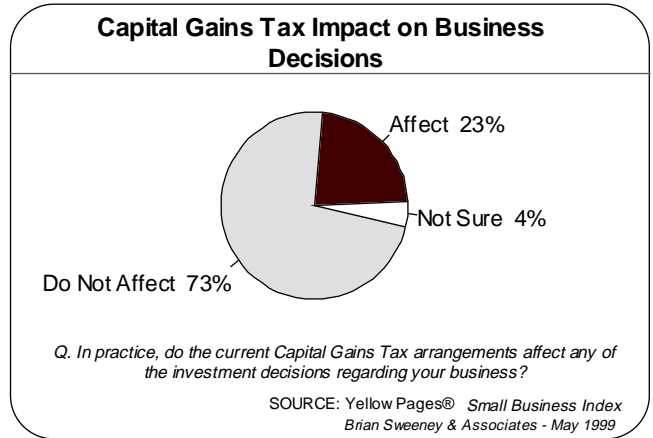
One-fifth of small business proprietors have paid Capital Gains Tax in the past year - although a further 6% are not sure on the issue.

Nevertheless, Capital Gains Tax often has an impact on investment decisions. About one-quarter of all small business proprietors interviewed said the current arrangements affected business decisions.

However, among those who have paid Capital Gains Tax, almost half (49%) believe that the arrangements impact on their business decisions.

Proprietors were asked whether they had heard of the proposal by the Review of Business Taxation to reduce *"the company rate of tax by introducing less generous depreciation provisions (i.e., removing accelerated depreciation for plant and equipment)."*

Some 39% of small business proprietors reported that they were aware of this proposal. Only among small businesses in the Finance and Property Services had more than half of the proprietors heard of the proposal.



COMPLIANCE BURDEN & HOURS WORKED

One important issue when considering tax compliance is the amount of time business proprietors are working overall and the amount of time they currently devote to tax compliance. In November 1996, the Federal Government's Small Business Deregulation Task Force commissioned the Small Business Index to examine this issue. The Index found that, on average, small business proprietors spent 16 hours per week on all accounting and financial matters and that 25% of this time, about four hours per week, was spent on compliance.

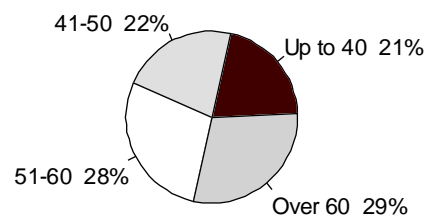
In the May 1999 Index, proprietors were again asked how many hours they worked in a typical week. On average, proprietors work just over 55 hours per week. Some 29% report working over 60 hours per week.

As observed in previous surveys, male proprietors on average work eight to 10 hours more than women proprietors. However, previous Small Business Indexes have shown that women proprietors are more likely to look after children than their male counterparts.

Hours worked are longest in the Northern Territory and shortest in Western Australia and Tasmania.

Small business proprietors in Building and Construction work, on average, less than 50 hours per week but proprietors in Recreation/Personal Services tend to work over 60 hours per week.

Hours Worked In Typical Week



Average = 55.8 hours

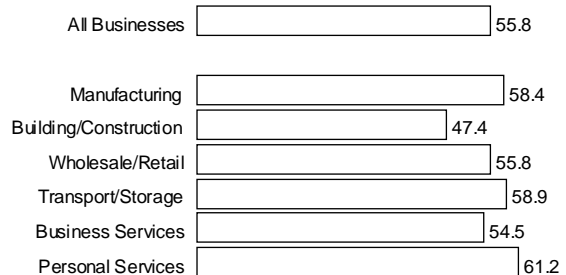
SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Average Hours Worked By State



SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Average Hours Worked By Sector



SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - May 1999

Small Business Outlook - National

- Sales and profitability growth weakening with expectations also down
- Jobs growth for third successive quarter
- Fall in Federal Government approval
- Business confidence remains the highest since October 1994

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

SOURCE: Yellow Pages®
Small Business Index

		MAY 1998	AUG 1998	NOV 1998	FEB 1999	MAY 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	63	61	63	68	68					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	16	17	17	13	13					
	NET BALANCE	+47	+44	+46	+55	+55					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	38	39	39	41	39	44	45	46	48	42
	DECREASE	30	28	24	21	26	11	10	13	10	12
	NET BALANCE	+8	+11	+15	+20	+13	+33	+35	+33	+38	+30
SIZE OF WORKFORCE:	INCREASE	11	12	15	12	15	11	13	16	13	13
	DECREASE	12	13	10	9	10	4	3	3	3	3
	NET BALANCE	-1	-1	+5	+3	+5	+7	+10	+13	+10	+10
WAGES BILL:	INCREASE	21	21	22	24	23	23	23	25	23	23
	DECREASE	13	13	11	9	10	6	5	5	5	7
	NET BALANCE	+8	+8	+11	+15	+12	+17	+18	+20	+18	+16
PRICES:	INCREASE	20	20	18	19	17	21	25	17	24	18
	DECREASE	9	5	8	6	4	3	3	3	3	3
	NET BALANCE	+11	+15	+10	+13	+13	+18	+22	+14	+21	+15
PROFITABILITY:	INCREASE	32	34	37	37	35	42	42	44	46	42
	DECREASE	31	29	25	22	27	14	10	14	10	13
	NET BALANCE	+1	+5	+12	+15	+8	+28	+32	+30	+36	+29
CAPITAL EXPENDITURE:	INCREASE	23	25	24	21	22	24	21	24	25	24
	DECREASE	19	19	20	20	18	21	19	22	17	20
	NET BALANCE	+4	+6	+4	+1	+4	+3	+2	+2	+8	+4

* 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 in own prospects surged following the State Election
- Despite this, the Carr Government remains the least popular state and territory government among the small business constituency
- Jobs growth restarted
- Sales growth improved against the national trend

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

SOURCE: Yellow Pages®
Small Business Index

			<u>MAY 1998</u>	<u>AUG 1998</u>	<u>NOV 1998</u>	<u>FEB 1999</u>	<u>MAY 1999</u>				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		61	61	64	64	69				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		16	18	15	18	13				
	NET BALANCE		+45	+43	+49	+46	+56				
		<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>1998</u>	<u>1998</u>	<u>1998</u>	<u>98/99</u>	<u>1999</u>	<u>1999</u>				
		%	%	%	%	%	%				
SALES VALUE:	INCREASE	36	40	41	38	43	45	46	49	47	43
	DECREASE	27	28	20	22	24	7	8	12	8	14
	NET BALANCE	+9	+12	+21	+16	+19	+38	+38	+37	+39	+29
SIZE OF WORKFORCE:	INCREASE	10	13	19	11	18	14	14	18	14	14
	DECREASE	12	15	10	12	8	4	4	2	4	1
	NET BALANCE	-2	-2	+9	-1	+10	+10	+10	+16	+10	+13
WAGES BILL:	INCREASE	22	21	24	27	23	26	25	25	23	23
	DECREASE	13	12	11	13	11	5	5	5	6	5
	NET BALANCE	+9	+9	+13	+14	+12	+21	+20	+20	+17	+18
PRICES:	INCREASE	22	16	21	22	18	25	24	15	24	18
	DECREASE	5	4	7	4	1	4	4	3	3	3
	NET BALANCE	+17	+12	+14	+18	+17	+21	+20	+12	+21	+15
PROFITABILITY:	INCREASE	30	34	39	35	36	44	44	47	48	45
	DECREASE	28	29	21	23	26	13	7	12	7	14
	NET BALANCE	+2	+5	+18	+12	+10	+31	+37	+35	+41	+31
CAPITAL EXPENDITURE:	INCREASE	28	25	24	20	22	24	23	24	23	24
	DECREASE	19	21	19	22	20	20	15	22	18	20
	NET BALANCE	+9	+4	+5	-2	+2	+4	+8	+2	+5	+4

* 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

- Sales growth lower but expectations remain high
- Investment growth and expectations for further investment improved
- Jobs growth for third successive quarter

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

SOURCE: Yellow Pages®
Small Business Index

			<u>MAY 1998</u>	<u>AUG 1998</u>	<u>NOV 1998</u>	<u>FEB 1999</u>	<u>MAY 1999</u>				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		65	58	62	70	69				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		13	18	18	10	10				
	NET BALANCE		+52	+40	+44	+60	+59				
		<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>
		1998	1998	1998	98/99	1999	1998	1998	98/99	1999	1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	40	43	39	42	39	41	45	44	48	40
	DECREASE	34	29	25	21	27	14	14	12	14	11
	NET BALANCE	+6	+14	+14	+21	+12	+27	+31	+32	+34	+29
SIZE OF WORKFORCE:	INCREASE	10	12	13	11	14	8	12	15	14	13
	DECREASE	10	14	8	8	10	5	2	4	2	4
	NET BALANCE	0	-2	+5	+3	+4	+3	+10	+11	+12	+9
WAGES BILL:	INCREASE	22	24	20	27	23	21	21	25	22	23
	DECREASE	12	12	10	7	9	7	6	7	4	6
	NET BALANCE	+10	+12	+10	+20	+14	+14	+15	+18	+18	+17
PRICES:	INCREASE	19	24	15	15	15	18	27	18	22	16
	DECREASE	13	4	9	6	3	1	2	4	2	3
	NET BALANCE	+6	+20	+6	+9	+12	+17	+25	+14	+20	+13
PROFITABILITY:	INCREASE	36	37	37	40	36	41	44	42	44	41
	DECREASE	34	29	28	21	28	17	11	14	14	12
	NET BALANCE	+2	+8	+9	+19	+8	+24	+33	+28	+30	+29
CAPITAL EXPENDITURE:	INCREASE	23	25	24	24	23	25	22	26	26	27
	DECREASE	16	15	19	20	12	18	18	21	20	17
	NET BALANCE	+7	+10	+5	+4	+11	+7	+4	+5	+6	+10

* 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

- Business confidence down
- Negligible sales growth following extremely strong growth over summer
- Second quarter of no or negative net investment; expectations weakened
- Jobs growth negative with expectations declining

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

SOURCE: Yellow Pages®
Small Business Index

		MAY 1998	AUG 1998	NOV 1998	FEB 1999	MAY 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	62	62	62	70	63					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	21	17	18	10	19					
	NET BALANCE	+41	+45	+44	+60	+44					
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	40	40	40	45	34	51	46	45	48	46
	DECREASE	28	21	22	18	33	10	8	13	9	9
	NET BALANCE	+12	+19	+18	+27	+1	+41	+38	+32	+39	+37
SIZE OF WORKFORCE:	INCREASE	14	10	12	15	11	11	12	15	12	14
	DECREASE	15	11	12	5	13	2	5	2	2	7
	NET BALANCE	-1	-1	0	+10	-2	+9	+7	+13	+10	+7
WAGES BILL:	INCREASE	23	18	24	23	22	21	22	27	28	23
	DECREASE	18	14	10	4	11	4	6	3	4	8
	NET BALANCE	+5	+4	+14	+19	+11	+17	+16	+24	+24	+15
PRICES:	INCREASE	17	18	14	17	18	17	19	15	24	18
	DECREASE	11	7	7	8	6	2	2	2	1	2
	NET BALANCE	+6	+11	+7	+9	+12	+15	+17	+13	+23	+16
PROFITABILITY:	INCREASE	34	33	38	38	30	43	40	44	47	43
	DECREASE	29	25	27	19	31	13	10	19	10	10
	NET BALANCE	+5	+8	+11	+19	-1	+30	+30	+25	+37	+33
CAPITAL EXPENDITURE:	INCREASE	18	28	29	20	20	24	22	18	27	22
	DECREASE	20	18	21	20	22	24	22	25	14	22
	NET BALANCE	-2	+10	+8	0	-2	0	0	-7	+13	0

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

Small Business Outlook - SA

- Sales growth high and stable
- Highest net sales growth since October 1994
- Fourth successive quarter of jobs growth
- Investment stable but improving

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

SOURCE: Yellow Pages®
Small Business Index

			<u>MAY 1998</u>	<u>AUG 1998</u>	<u>NOV 1998</u>	<u>FEB 1999</u>	<u>MAY 1999</u>				
			%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE		67	66	72	69	72				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		6	9	11	7	13				
	NET BALANCE		+61	+57	+61	+62	+59				
		<u>ACTUAL EXPERIENCE DURING:</u>	<u>EXPECTATIONS FOR:</u>								
		FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	36	30	41	45	45	40	43	44	43	39
	DECREASE	27	29	22	18	17	12	7	6	9	16
	NET BALANCE	+9	+1	+19	+27	+28	+28	+36	+38	+34	+24
SIZE OF WORKFORCE:	INCREASE	10	11	17	14	16	11	11	16	15	10
	DECREASE	14	6	13	5	7	3	2	3	3	1
	NET BALANCE	-4	+5	+4	+9	+9	+8	+9	+13	+12	+9
WAGES BILL:	INCREASE	20	21	22	14	23	16	21	25	25	25
	DECREASE	11	10	8	11	9	7	6	5	5	9
	NET BALANCE	+9	+11	+14	+3	+14	+9	+15	+20	+20	+16
PRICES:	INCREASE	23	26	23	24	16	20	33	19	31	24
	DECREASE	9	5	7	5	9	2	3	1	5	7
	NET BALANCE	+14	+21	+16	+19	+7	+18	+30	+18	+26	+17
PROFITABILITY:	INCREASE	28	27	35	39	39	35	43	44	40	36
	DECREASE	28	33	23	20	19	13	7	8	9	15
	NET BALANCE	0	-6	+12	+19	+20	+22	+36	+36	+31	+21
CAPITAL EXPENDITURE:	INCREASE	18	22	18	20	21	23	11	28	21	30
	DECREASE	22	15	20	19	19	22	16	21	19	16
	NET BALANCE	-4	+7	-2	+1	+2	+1	-5	+7	+2	+14

* 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 growth slowed, profits continued to growth
- Wages bill significantly increased
- Employment growth stagnated with expectations showing no improvement
- Investment growth has improved but is not expected to continue as strong

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

SOURCE: Yellow Pages®
Small Business Index

		MAY 1998	AUG 1998	NOV 1998	FEB 1999	MAY 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	66	66	60	75	75					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	15	16	19	9	13					
	NET BALANCE	+51	+50	+41	+66	+62					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	32	32	33	44	35	40	41	40	49	40
	DECREASE	41	38	31	29	24	16	13	21	11	14
	NET BALANCE	-9	-6	+2	+15	+11	+24	+28	+19	+38	+26
SIZE OF WORKFORCE:	INCREASE	13	10	12	13	15	8	12	14	10	13
	DECREASE	10	15	10	11	15	5	1	4	4	6
	NET BALANCE	+3	-5	+2	+2	0	+3	+11	+10	+6	+7
WAGES BILL:	INCREASE	15	17	17	17	26	21	21	16	21	19
	DECREASE	13	21	13	9	8	9	3	8	6	7
	NET BALANCE	+2	-4	+4	+8	+18	+12	+18	+8	+15	+12
PRICES:	INCREASE	20	25	18	20	18	19	26	26	24	21
	DECREASE	8	2	8	7	6	9	3	1	3	2
	NET BALANCE	+12	+23	+10	+13	+12	+10	+23	+25	+21	+19
PROFITABILITY:	INCREASE	34	31	31	33	30	39	34	40	45	37
	DECREASE	40	37	29	25	23	15	14	19	9	14
	NET BALANCE	-6	-6	+2	+8	+7	+24	+20	+21	+36	+23
CAPITAL EXPENDITURE:	INCREASE	21	26	22	19	27	19	17	20	22	15
	DECREASE	25	22	24	17	15	26	26	25	16	23
	NET BALANCE	-4	+4	-2	+2	+12	-7	-9	-5	+6	-8

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

Small Business Outlook - Tasmania

- Small business confidence remains stable
- Second quarter of lower job numbers
- Investment growth stagnated and expectations poor
- Profitability strong, but declining in expectations

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

SOURCE: Yellow Pages®
Small Business Index

			<u>MAY 1998</u>	<u>AUG 1998</u>	<u>NOV 1998</u>	<u>FEB 1999</u>	<u>MAY 1999</u>				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		53	44	48	51	59				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		19	24	18	11	19				
	NET BALANCE		+34	+20	+30	+40	+40				
		ACTUAL EXPERIENCE DURING:						EXPECTATIONS FOR:			
		FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	33	24	25	37	41	26	31	62	38	28
	DECREASE	30	35	42	20	32	16	10	4	7	18
	NET BALANCE	+3	-11	-17	+17	+9	+10	+21	+58	+31	+10
SIZE OF WORKFORCE:	INCREASE	5	11	16	10	8	12	4	10	4	10
	DECREASE	12	10	14	12	12	4	6	1	2	3
	NET BALANCE	-7	+1	+2	-2	-4	+8	-2	+9	+2	+7
WAGES BILL:	INCREASE	21	20	17	15	20	22	17	24	9	18
	DECREASE	10	13	17	8	9	11	6	2	5	10
	NET BALANCE	+11	+7	0	+7	+11	+11	+11	+22	+4	+8
PRICES:	INCREASE	23	31	29	18	18	16	31	24	14	11
	DECREASE	6	4	11	11	6	4	0	3	4	8
	NET BALANCE	+17	+27	+18	+7	+12	+12	+31	+21	+10	+3
PROFITABILITY:	INCREASE	31	21	23	31	37	22	31	54	35	25
	DECREASE	27	29	38	21	28	18	10	4	7	20
	NET BALANCE	+4	-8	-15	+10	+9	+4	+21	+50	+28	+5
CAPITAL EXPENDITURE:	INCREASE	18	18	22	15	21	14	11	26	20	16
	DECREASE	21	25	24	22	21	35	25	14	20	21
	NET BALANCE	-3	-7	-2	-7	0	-21	-14	+12	0	-5

* 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

- Second quarter of falling sales
- Fall in business confidence back to the national average
- Sales and employment growth expectations fell sharply

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

SOURCE: Yellow Pages®
Small Business Index

		MAY 1998	AUG 1998	NOV 1998	FEB 1999	MAY 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	62	65	68	82	64					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	16	12	19	8	9					
	NET BALANCE	+46	+53	+49	+74	+55					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	39	56	39	30	38	61	48	26	75	61
	DECREASE	35	12	32	33	40	4	6	30	2	6
	NET BALANCE	+4	+44	+7	-3	-2	+57	+42	-4	+73	+55
SIZE OF WORKFORCE:	INCREASE	24	24	15	11	20	25	12	13	32	19
	DECREASE	17	14	25	14	13	4	5	8	2	4
	NET BALANCE	+7	+10	-10	-3	+7	+21	+7	+5	+30	+15
WAGES BILL:	INCREASE	30	35	22	15	19	34	22	17	38	30
	DECREASE	18	10	17	16	16	7	7	14	3	5
	NET BALANCE	+12	+25	+5	-1	+3	+27	+15	+3	+35	+25
PRICES :	INCREASE	20	26	20	20	16	28	27	17	22	16
	DECREASE	12	7	8	6	5	2	2	2	0	2
	NET BALANCE	+8	+19	+12	+14	+11	+26	+25	+15	+22	+14
PROFITABILITY:	INCREASE	36	48	37	24	37	57	48	34	66	58
	DECREASE	34	12	30	24	31	4	11	28	3	8
	NET BALANCE	+2	+36	+7	0	+6	+53	+37	+6	+63	+50
CAPITAL EXPENDITURE:	INCREASE	27	34	25	21	26	34	26	18	31	29
	DECREASE	26	18	24	24	20	29	19	28	19	14
	NET BALANCE	+1	+16	+1	-3	+6	+5	+7	-10	+12	+15

* 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

- Stop-start jobs growth continues
- Investment growth improved in past quarter and expectations strengthened

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

SOURCE: Yellow Pages®
Small Business Index

		MAY 1998	AUG 1998	NOV 1998	FEB 1999	MAY 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	64	61	70	76	70					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	21	21	14	10	10					
	NET BALANCE	+43	+40	+56	+66	+60					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	46	49	56	50	48	50	45	43	50	46
	DECREASE	26	21	15	14	15	8	10	18	13	11
	NET BALANCE	+20	+28	+41	+36	+33	+42	+35	+25	+37	+35
SIZE OF WORKFORCE:	INCREASE	18	10	21	7	17	8	11	18	13	14
	DECREASE	7	13	7	8	10	3	4	3	5	8
	NET BALANCE	+11	-3	+14	-1	+7	+5	+7	+15	+8	+6
WAGES BILL:	INCREASE	19	26	29	18	19	21	25	20	22	24
	DECREASE	7	13	5	11	12	7	5	5	6	9
	NET BALANCE	+12	+13	+24	+7	+7	+14	+20	+15	+16	+15
PRICES:	INCREASE	12	15	18	13	19	10	20	11	19	19
	DECREASE	8	7	5	7	7	2	3	2	1	0
	NET BALANCE	+4	+8	+13	+6	+12	+8	+17	+9	+18	+19
PROFITABILITY:	INCREASE	36	45	48	49	46	39	41	47	45	37
	DECREASE	21	20	16	11	13	11	9	15	11	11
	NET BALANCE	+15	+25	+32	+38	+33	+28	+32	+32	+34	+26
CAPITAL EXPENDITURE:	INCREASE	20	26	28	17	21	25	36	28	30	22
	DECREASE	19	17	19	23	19	20	20	21	9	16
	NET BALANCE	+1	+9	+9	-6	+2	+5	+16	+7	+2	+6

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

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

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

SOCIAL ISSUES - NOVEMBER 1993

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

THE PAPERWORK BURDEN ON SMALL BUSINESS - OCTOBER 1996

TECHNOLOGY IN THE SMALL BUSINESS SECTOR - JULY 1995, JULY 1996, AUGUST 1997 & APRIL 1999

ELECTRONIC COMMERCE - APRIL 1998

WORKERS COMPENSATION & WORKPLACE SAFETY - NOVEMBER 1998

Other special topics investigated include NSW Bushfires, the Sydney Olympics, Exports, Industrial Relations, 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 4748
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 4748.

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