

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 (November 1999) survey was conducted over the period 26th October to 9th November 1999. The report covers the experience over the past three months (August to October 1999) and expectations for both the current quarter (November 1999 to January 2000) and the 12 months ending October 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

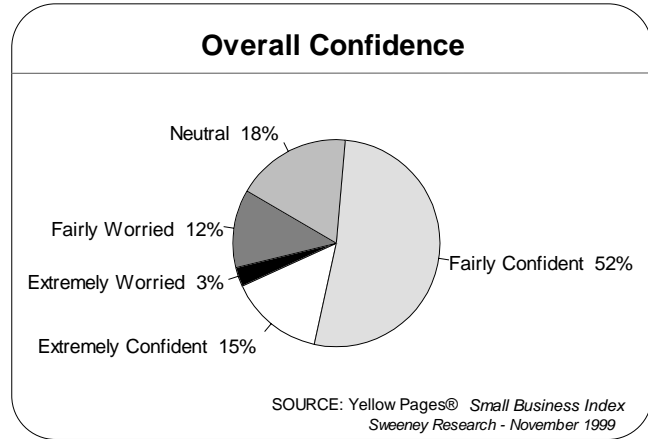
Small Business Outlook - National Summary

CONFIDENCE IN OWN BUSINESS PROSPECTS OVER THE NEXT 12 MONTHS

Small business proprietors' confidence in their own prospects for the next 12 months remains high nationally, despite a slight easing in November 1999. Some 67% are confident in their own prospects, and only 15% are worried.

This slight national movement disguises some large swings in individual states and territories. In Victoria, South Australia and Queensland, confidence fell sharply. This was offset by strong rebounds in the Northern Territory, Western Australia and Tasmania.

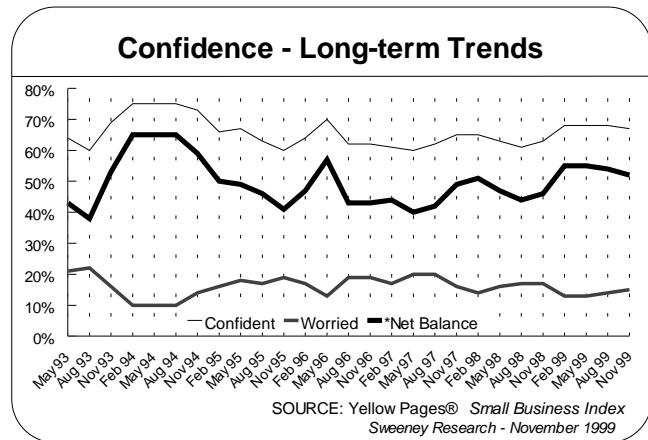
Across the sectors, confidence in their own prospects for the next 12 months was up strongly in Manufacturing, but collapsed in Building/Construction.



Confidence Trends - Past Five Quarters

	Nov 98	Feb 99	May 99	Aug 99	Nov 99
Extremely Confident	11%	14%	15%	15%	15%
Fairly Confident	52%	54%	54%	53%	52%
Neutral	20%	19%	18%	18%	18%
Fairly Worried	14%	11%	11%	11%	12%
Extremely Worried	2%	2%	3%	3%	3%
Total Confident	63%	68%	68%	68%	67%
Total Worried	17%	13%	13%	14%	15%
*NET BALANCE	+46%	+55%	+55%	+54%	+52%

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



Trends By State

***Net Balance**

	Nov 98	Feb 99	May 99	Aug 99	Nov 99
NATIONAL	46%	55%	55%	54%	52%
NSW	49%	46%	56%	53%	57%
VIC	44%	60%	59%	54%	45%
QLD	44%	60%	44%	51%	43%
SA	61%	62%	59%	71%	63%
WA	41%	66%	62%	47%	56%
TAS	30%	40%	40%	30%	43%
NT	49%	74%	55%	49%	59%
ACT	56%	66%	60%	65%	63%

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

Trends By Sector

***Net Balance**

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

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



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

PERCEPTIONS OF THE ECONOMY

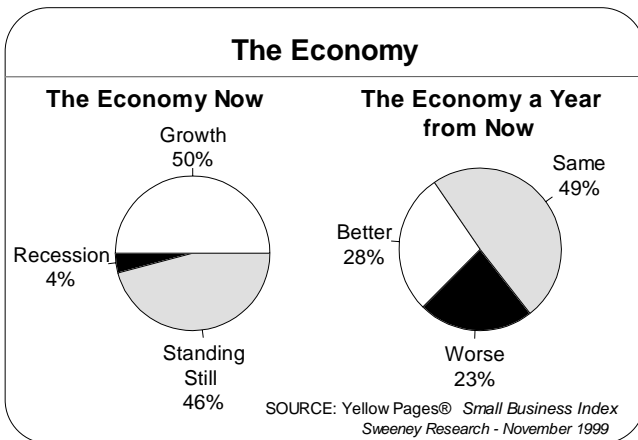
Fifty percent of proprietors believe that Australia is in a period of growth with only 4% believing it is in recession. The net 46% is effectively unchanged over the past three months and comparable with perceptions of the economy during most of the 1994 boom.

In each quarter of 1999, a net balance of more than 40% has believed the economy was growing.

Across the states and territories, proprietors in the ACT continue to be the most positive and those in Western Australia continue to be the least so, despite a more positive assessment than recorded in the August 1999 Index.

However, expectations for the economy a year from now have fallen substantially from the previous quarter and are approaching historically low levels. While 28% of proprietors believe the economy will be better in 12 months time, 23% believe it will worsen.

Only in the Northern Territory are expectations stronger than in the previous Index.



Perceptions of the Economy - Trends

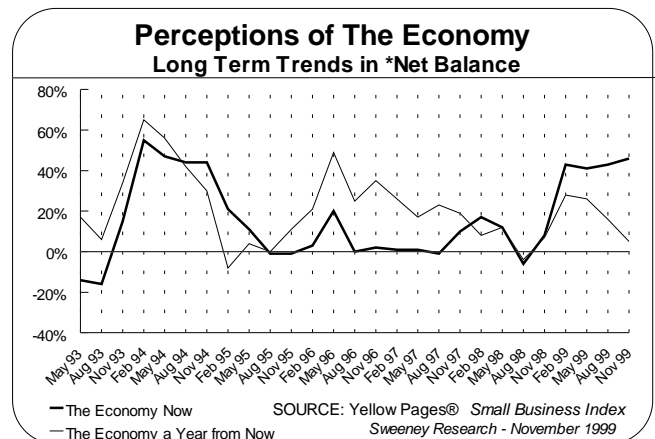
	Nov 98	Feb 99	May 99	Aug 99	Nov 99
<i>THE ECONOMY NOW</i>					
Growth	21%	47%	46%	47%	50%
Recession	13%	4%	5%	4%	4%
*Net Balance	8%	43%	41%	43%	46%
<i>THE ECONOMY A YEAR FROM NOW</i>					
Better	27%	40%	38%	34%	28%
Worse	20%	12%	12%	18%	23%
*Net Balance	7%	28%	26%	16%	5%

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

Perceptions of the Economy by State

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
<i>THE ECONOMY NOW</i>								
Growth	55%	55%	40%	47%	39%	41%	47%	62%
Recession	4%	1%	7%	4%	7%	2%	2%	2%
*Net Balance	51%	54%	33%	43%	32%	39%	45%	60%
<i>THE ECONOMY A YEAR FROM NOW</i>								
Better	32%	19%	30%	31%	26%	36%	37%	27%
Worse	21%	24%	28%	21%	22%	9%	10%	24%
*Net Balance	11%	-5%	2%	10%	4%	27%	27%	3%

SOURCE: Yellow Pages® Small Business Index
Sweeney Research - November 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 small business sales and profits growth in the next 12 months have slumped to well below the previous lowest level recorded in May 1995.

Further, employment growth expectations are at historically low levels and expectations for capital expenditure continue to decline.

A net 53% of proprietors believe prices will rise in the next 12 months - well above the previous highest level reported in August 1999.

Expectations On Key Indicators Over The Next 12 Months

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	59%	17%	42%
Size of workforce	22%	4%	18%
Wages bill	36%	5%	31%
Prices charged	57%	4%	53%
Profitability	53%	16%	37%
Capital expenditure	35%	20%	15%

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

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

	Nov 98	Feb 99	May 99	Aug 99	Nov 99
Value of sales	51%	56%	54%	55%	42%
Size of workforce	22%	21%	20%	21%	18%
Wages bill	38%	36%	36%	34%	31%
Prices charged	42%	41%	42%	47%	53%
Profitability	49%	54%	53%	49%	37%
Capital expenditure	21%	24%	21%	17%	15%

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

CONCERNS

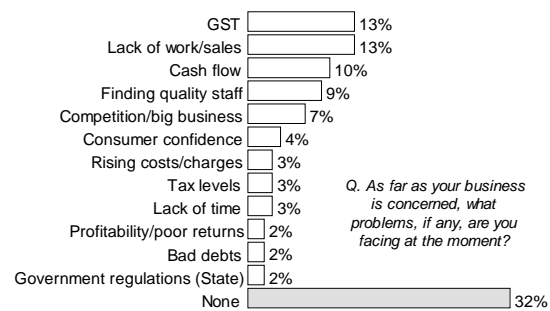
Around one-third of small business proprietors (32%) currently report no problems. This positive assessment is only slightly down on August and continues at the high levels recorded during 1999.

'GST' has joined 'lack of work/sales' (13%) as the equal prime concern of small businesses. 'Cash flow' remains a major concern.

Concern over the GST rates highly among ACT (22%) and Victorian (17%) businesses, small Transport/Storage (21%) and Personal Service firms (17%), non-metropolitan businesses (16%), and firms seeking significant growth (16%).

For significant growth firms, 'finding quality staff' (22%) is their major concern. This concern is also prominent across all small businesses (9%).

Prime Concerns



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



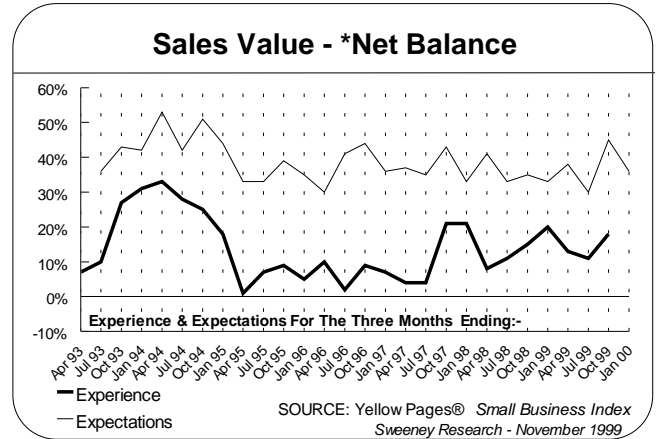
*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

SALES

As foreshadowed in August, small business proprietors reported strong sales growth in the three months to October. Nationally, small business sales growth remains well below the boom levels of 1994.

The surge in spring sales growth reflects the rebound in non-metro sales and was very strong in the Northern Territory, Tasmania, NSW and Queensland. Business Services was the only sector that experienced a slight slowing in growth for the quarter.

Sales growth is expected to be slower in the current quarter (November – January). Only in Western Australia and Tasmania is some pick-up expected. Proprietors in Personal Services, Business Services and Building/Construction expect a sharper slowdown.



EMPLOYMENT

Employment growth remained strong in the October quarter 1999. A net 6% of proprietors reported higher job numbers, continuing the steady jobs growth of the past 12 months.

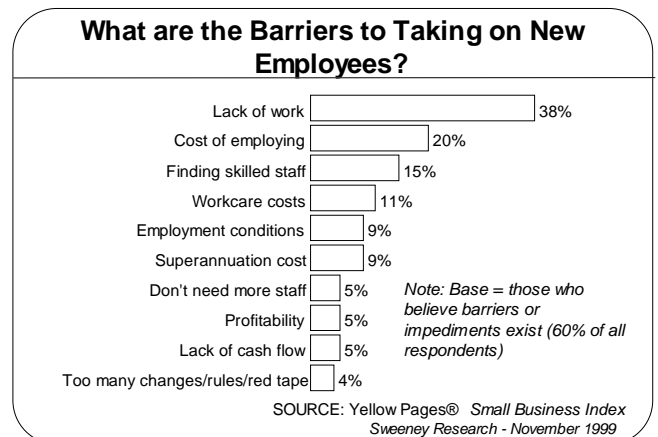
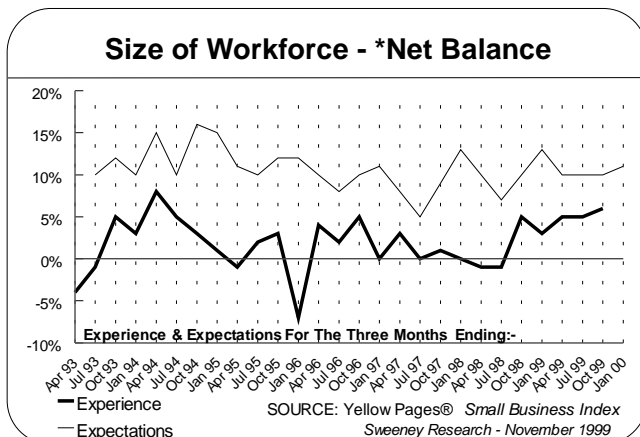
All states report jobs growth, in contrast to the two territories where no growth is evident. Tasmania and Western Australia show the strongest increases in jobs growth compared with the previous quarter.

Across the sectors, only Manufacturing proprietors reported lower jobs numbers. Lower employment in Manufacturing over the past three months contrasts with strong sales growth.

Employment expectations for the current quarter are little changed, suggesting the likelihood of a sixth successive quarter of strong small business employment growth.

Sixty per cent of small business proprietors reported there were impediments or barriers stopping them taking on more employees. This is unchanged from August 1999.

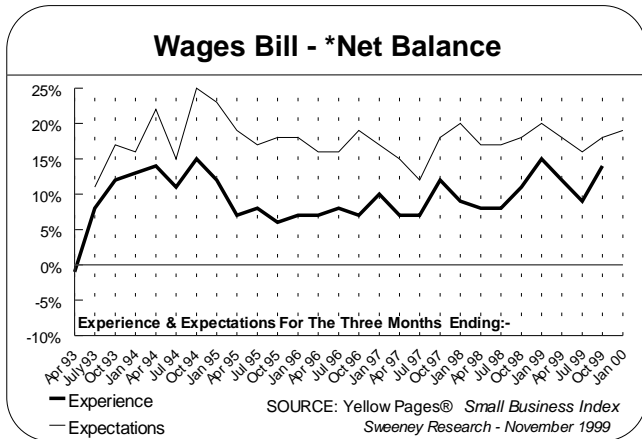
Workers' compensation and superannuation costs are identified by an increasing proportion of proprietors as a major impediment to hiring.



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



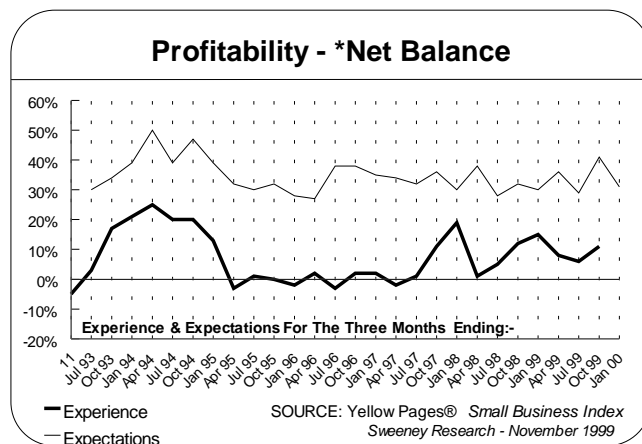
WAGES BILL



Wages bill growth increased slightly in the October quarter, with stronger wage growth in both the Northern Territory and Tasmania.

Nationally, this growth is expected to continue in the current quarter.

PROFITABILITY AND CAPITAL EXPENDITURE



Reflecting the pick-up in sales, there was a strong increase in profits in the October quarter. The net balance was the highest since January 1999. In no state, territory or sector, did small business profits fall.

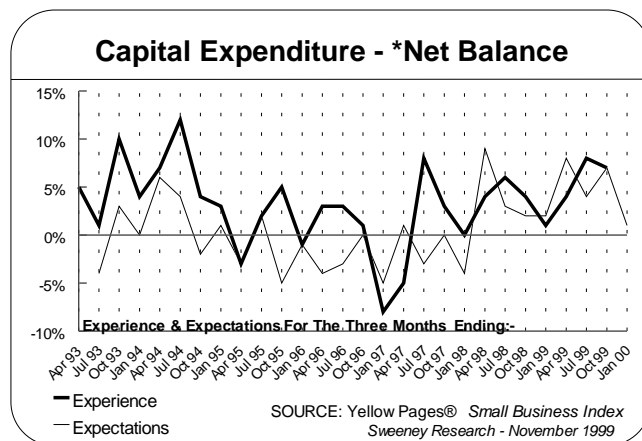
Across the states and territories, growth is strongest in the ACT and the Northern Territory. Northern Territory proprietors reported a sharp pick-up in profit growth - the strongest growth since the July quarter 1998.

Profit growth is expected to slow in the current quarter, particularly in the Northern Territory.

Across the sectors, profit growth rose sharply in Building/Construction, Manufacturing and Transport/Storage in the past quarter. Expectations for increased profits fell sharply in the Business Services, Personal Services and Building/Construction sectors.

Capital expenditure growth remained strong in the October quarter, only slightly lower than in July.

However, proprietors are expecting growth to slow significantly in the current quarter.



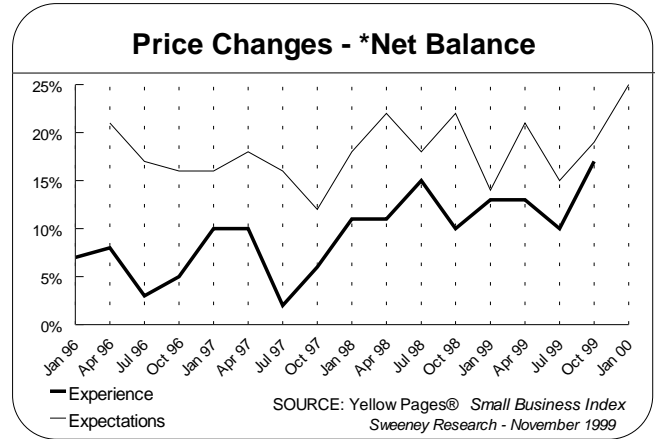
PRICES

Proprietors reported stronger price growth in the October quarter, with expectations for price increases in the current quarter the strongest recorded.

The increase in the past quarter is at the highest level since the Index began surveying on price changes in January 1996.

Across the sectors, proprietors in Personal Services and Building/Construction reported the strongest price increases. The sharpest upswing in growth was reported in Wholesale/Retail.

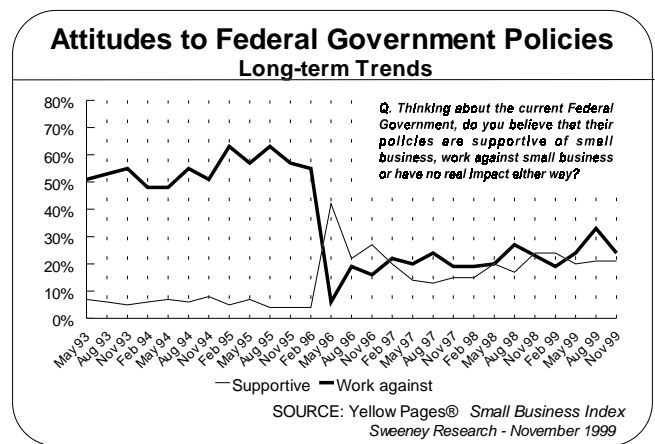
Expectations for increased prices in the current quarter firmed in all states and in all sectors, other than Building/Construction. Expectations eased in the two territories.



ASSESSMENT OF FEDERAL GOVERNMENT POLICIES

Small business proprietors' assessment of Federal Government policies is less negative, up from the record low for the Howard Government that was recorded in the August Index. Only in NSW and the two territories are attitudes positive.

Across the sectors, only proprietors in Building/Construction are more likely to see Federal policies as supportive, rather than working against small business interests.



Attitudes to Federal Government Policies

	Nov 98	Feb 99	May 99	Aug 99	Nov 99
Supportive	24%	24%	20%	21%	21%
Work against	23%	19%	24%	33%	24%
No impact	53%	57%	56%	46%	55%
Net Balance	1%	5%	-4%	-12%	-3%

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

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



ASSESSMENT OF STATE GOVERNMENT POLICIES

In no state is the assessment of state government policies positive. Only in the two territories are policies seen as supportive of small business.

Although small business proprietors consistently report that they vote mainly for coalition parties, the States receiving relatively positive assessments are the Bacon Labor Government in Tasmania and the new Bracks Labor Government in Victoria. Nevertheless, the Bracks Governments' negative assessment contrasts with the strong positive assessment of the former Kennett Government.

Among incumbent state and territory governments, the largest adverse swing in small business assessment was recorded for the New South Wales Government.

Victorian small business proprietors were asked how they voted in the September state election. Fifty-eight per cent of proprietors report that they voted for either of the Coalition parties. The responses suggest that the Coalition failed to attract undecided voters.

Almost half (45%) of small business proprietors believed that the election of a minority Labor government was "a bad outcome" for Victorian small business. Only 17% believed the outcome was "good". The most common reason for believing the outcome was bad, was that a "minority government is not good" or "makes government difficult".

Attitudes to State or Territory Government Policies - November 1999

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Supportive	5%	9%	9%	11%	11%	13%	56%	26%
Work against	30%	14%	18%	21%	20%	13%	8%	16%
No impact	65%	67%	72%	68%	68%	69%	36%	57%
Don't know	0%	9%	1%	0%	1%	5%	0%	1%
*Net Balance	-25%	-5%	-9%	-10%	-9%	0%	48%	10%

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

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

	Nov 98	Feb 99	May 99	Aug 99	Nov 99
NSW	-17%	-17%	-13%	-16%	-25%
VIC	22%	30%	27%	20%	-5%
QLD	5%	8%	-8%	-6%	-9%
SA	-5%	-10%	-5%	-6%	-10%
WA	-10%	-7%	3%	-12%	-9%
TAS	2%	-10%	-12%	-11%	0%
NT	46%	48%	51%	44%	48%
ACT	-2%	-4%	-1%	3%	10%

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

Voting Patterns - Victoria

	Intention		Actual
	Feb 99	Aug 99	Oct 99
Liberal	58%	58%	55%
National	0%	1%	3%
ALP	12%	13%	24%
Other	3%	8%	6%
Undecided/ Refused	25%	19%	13%

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

PROMPTED ATTITUDES TO STATE AND TERRITORY GOVERNMENTS

Small business proprietors were asked to what extent they agree or disagree with a series of statements relating to their state or territory government. The main findings were:

- Government planning decisions are overwhelmingly seen as consistently favouring 'big developers and large traders' in all states and territories. In Western Australia, more than 90% agree with this statement. Only in Tasmania, do more than 10% of small business proprietors (12%) disagree with this statement.
- In all states and territories, the 'big end of town' is seen to be favoured by state/territory government decisions. In no case, do than 70% agree with this proposition. Those in Western Australia are most likely to hold this view.
- Around three-quarters (73%) of small business proprietors agree that 'governments and state governments in particular' favour the capital cities, with 11% disagreeing.
- In South Australia, Victoria and Tasmania, over two-thirds of small business proprietors agree that an 'unbalanced expansion of gambling is hitting small business'.
- In all states and the ACT, more than half of proprietors reject the notion that their 'state/territory government is the champion of small business' and not more than 20% agree. In the Northern Territory, there is an even split.
- The proposition that 'essential services failures have hit small businesses hard' is not uniformly supported and in no state/territory do more than 50% of proprietors support (nor disagree with) the statement. Perhaps reflecting the Sydney water crisis, agreement is strongest in NSW.
- Slightly fewer than half of small business proprietors (47%) agree that 'government tendering processes are unfair to small business'. Only in the Northern Territory do a substantial proportion disagree (30%).

Perceptions of State or Territory Governments

	AUST	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Planning decisions have consistently favoured big developers and large traders	79%	81%	78%	81%	75%	87%	65%	75%	76%
State/territory governments favour the big end of town	67%	63%	59%	71%	79%	87%	78%	57%	71%
Governments favour development in the capitals to the detriment of country and regional centres	62%	63%	60%	63%	73%	61%	57%	49%	71%
State/territory government are the champions of small business	(60%)	(71%)	(47%)	(65%)	(59%)	(52%)	(62%)	0%	(49%)
The unbalanced expansion of the gambling industry has hit small business	32%	13%	53%	38%	71%	(2%)	53%	26%	3%
Tendering practices for government contracts are unfair on small business	34%	34%	27%	42%	31%	41%	33%	0%	42%
Essential services failures have hit small businesses hard	11%	19%	0%	16%	18%	0%	7%	18%	(16%)

Note : Table shows Net Balance (agree less disagree)

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

THE GST

Prompted Attitudes to the GST

	Agree	Neutral	Disagree
I'm in favour of the GST	55%	10%	35%
I'm worried about the complexity involved in complying with the GST	70%	4%	26%
I feel that I don't know enough about the GST to judge how it will affect me	57%	5%	38%
It's hard to find adequate information on the GST	46%	7%	47%
My understanding about the GST has increased a lot in the last few months	65%	4%	31%

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

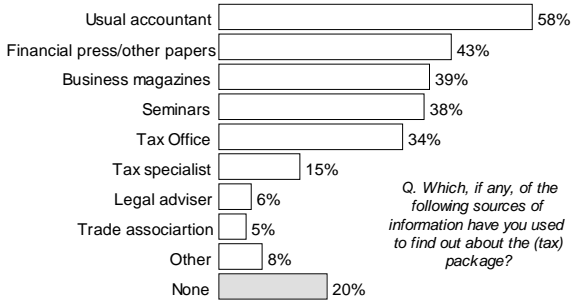
Support for the GST was little changed in November 1999. A net 20% were in favour of the tax compared with 22% in the previous two quarters.

Some 70% of small business proprietors were still worried about the complexity of the tax. While this is slightly down from the previous two quarters, it still indicates a significant proportion of the small business sector may be having problems implementing the GST.

Consistent with this finding, 57% of small businesses feel they don't know enough about the tax to judge how it will affect them.

Views are divided on whether it is hard to find adequate information on the GST, but the majority (66%) believe their understanding has increased a lot in the last few months.

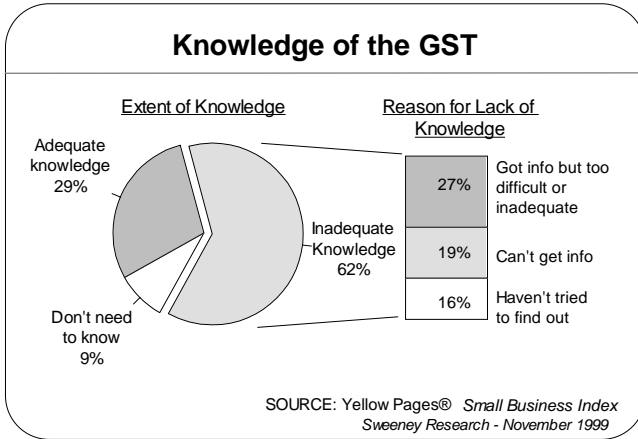
People or Organisations Consulted to Find Out About the GST



Q. Which, if any, of the following sources of information have you used to find out about the (tax) package?

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

Eighty per cent of small businesses have taken steps to find out about the tax package. Most of these steps have been to see their usual accountant and/or read the financial and other press. Almost 40% of small business proprietors have attended seminars and more than one-third have consulted the tax office.



Only 29% of small businesses believe they have adequate knowledge of the GST and a further 9% believe they don't need to know about the tax. Almost two-thirds (62%) of small business proprietors believe they have inadequate knowledge. Surprisingly, some 16% have not yet tried to find out about the tax, even though they believe they have inadequate knowledge. Only 19% of all small businesses have been unable to obtain the information they need but 27% have found the information they obtained too difficult or inadequate for their needs.

Hardware , Software and Budgets

<u>Hardware or Software Bought or Intend to Buy</u>		
	New Software	New Or Upgraded Hardware
Have bought	22%	19%
Intend to buy	35%	25%
No intention to buy	36%	48%
Not sure of intention	7%	8%

<u>Amount Spent to Date or Budgeted For All Hardware, Software or Advice</u>		
	Spent to Date	Budgeted to Spend
Nothing	54%	71%
Up to \$1000	24%	8%
Over \$1000	18%	16%
Can't say	4%	5%
Average	\$1515	\$1070

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

More than half (57%) of proprietors have already bought, or expect to buy, new software to help with the GST. In contrast, fewer small businesses (44%) have, or plan to, buy hardware to help with the GST.

Most small businesses (54%) have spent nothing preparing for the GST. Across all small businesses, expenditure has averaged more than \$1,500. While few businesses (19%) have budgeted future expenditure in preparation, on average across all businesses, a further \$1,070 is expected to be spent. Note that these average expenditure levels are boosted by a relatively small number of big spenders.

Almost two-thirds of small businesses expect their prices will rise as a result of the GST – with most of these (43% of all small business) expecting prices to rise by a full 10%, or more. On average, those expecting an increase, estimate a lift of almost 10% in the prices they will charge.

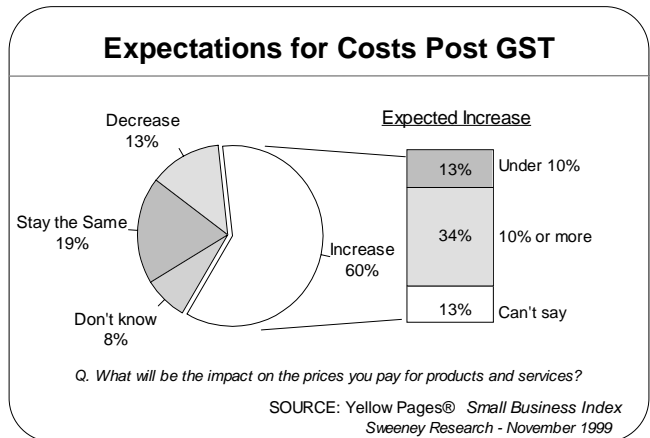
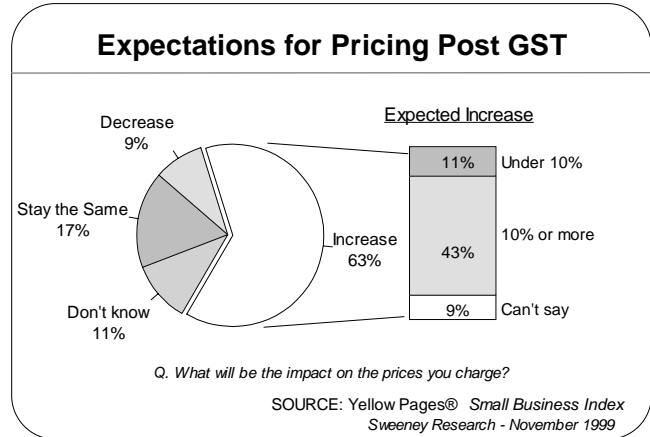
Across all businesses, the net expected price change stands at 6%.

It is not surprising that proprietors in service industries (such as Business Services and Personal Services) expect an increase in the order of 10% - and in both of these sectors, around half expect rises of 10% or more.

However, around one-third of Manufacturing proprietors (34%) and Wholesale/Retail proprietors (36%) also expect their prices to rise at least 10%.

Proprietors were also asked about the prices for the goods and services they purchase. Six out of 10 proprietors expect input prices to rise (by an average of 9%). Around one-third (32%) expect prices to fall or stay the same – with those expecting a decrease estimating it to be, on average, around 9%.

Across all businesses, the net expected change in costs is slightly over 7%.



Small Business Outlook - National

- Confidence high, but easing
- Expectations for economy in next 12 months, lowest ever
- Sales and profits growth recover
- Sustained strong employment growth expected to continue
- Price rises increase

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

SOURCE: Yellow Pages®
Small Business Index

		NOV 1998	FEB 1999	MAY 1999	AUG 1999	NOV 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE	63	68	68	68	67
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	17	13	13	14	15
	NET BALANCE	+46	+55	+55	+54	+52

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999	NOV-JAN 99/00
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	39	41	39	38	43	46	48	42	54	48
	DECREASE	24	21	26	27	25	13	10	12	9	12
	NET BALANCE	+15	+20	+13	+11	+18	+33	+38	+30	+45	+36
SIZE OF WORKFORCE:	INCREASE	15	12	15	14	14	16	13	13	14	15
	DECREASE	10	9	10	9	8	3	3	3	4	4
	NET BALANCE	+5	+3	+5	+5	+6	+13	+10	+10	+10	+11
WAGES BILL:	INCREASE	22	24	23	21	24	25	23	23	23	24
	DECREASE	11	9	10	12	10	5	5	7	5	5
	NET BALANCE	+11	+15	+12	+9	+14	+20	+18	+16	+18	+19
PRICES:	INCREASE	18	19	17	16	21	17	24	18	21	27
	DECREASE	8	6	4	6	4	3	3	3	2	2
	NET BALANCE	+10	+13	+13	+10	+17	+14	+21	+15	+19	+25
PROFITABILITY:	INCREASE	37	37	35	34	36	44	46	42	50	43
	DECREASE	25	22	27	28	25	14	10	13	9	12
	NET BALANCE	+12	+15	+8	+6	+11	+30	+36	+29	+41	+31
CAPITAL EXPENDITURE:	INCREASE	24	21	22	26	25	24	25	24	25	23
	DECREASE	20	20	18	18	18	22	17	20	18	22
	NET BALANCE	+4	+1	+4	+8	+7	+2	+8	+4	+7	+1

* 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 rebounds slightly
- Sales and profits growth very strong, but expectations significantly weaker
- Slower but still strong employment growth
- Continued capital expenditure growth, expectations sharply weaker
- Prices increase, expected to continue

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

SOURCE: Yellow Pages®
Small Business Index

		NOV 1998	FEB 1999	MAY 1999	AUG 1999	NOV 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	64	64	69	68	70					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	15	18	13	15	13					
	NET BALANCE	+49	+46	+56	+53	+57					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999	NOV-JAN 99/00
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	41	38	43	35	46	49	47	43	56	42
	DECREASE	20	22	24	27	21	12	8	14	10	15
	NET BALANCE	+21	+16	+19	+8	+25	+37	+39	+29	+46	+27
SIZE OF WORKFORCE:	INCREASE	19	11	18	19	17	18	14	14	16	14
	DECREASE	10	12	8	6	10	2	4	1	5	5
	NET BALANCE	+9	-1	+10	+13	+7	+16	+10	+13	+11	+9
WAGES BILL:	INCREASE	24	27	23	20	25	25	23	23	23	24
	DECREASE	11	13	11	8	10	5	6	5	3	4
	NET BALANCE	+13	+14	+12	+12	+15	+20	+17	+18	+20	+21
PRICES:	INCREASE	21	22	18	15	23	15	24	18	21	29
	DECREASE	7	4	1	6	4	3	3	3	3	2
	NET BALANCE	+14	+18	+17	+9	+19	+12	+21	+15	+18	+27
PROFITABILITY:	INCREASE	39	35	36	33	38	47	48	45	53	41
	DECREASE	21	23	26	26	20	12	7	14	9	12
	NET BALANCE	+18	+12	+10	+7	+18	+35	+41	+31	+44	+29
CAPITAL EXPENDITURE:	INCREASE	24	20	22	28	30	24	23	24	24	20
	DECREASE	19	22	20	17	16	22	18	20	19	28
	NET BALANCE	+5	-2	+2	+11	+14	+2	+5	+4	+5	-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 - Victoria

- Confidence lowest for 12 months
- Sales and profit growth slowed
- Continued employment growth

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

SOURCE: Yellow Pages®
Small Business Index

			<u>NOV 1998</u>	<u>FEB 1999</u>	<u>MAY 1999</u>	<u>AUG 1999</u>	<u>NOV 1999</u>				
			%	%	%	%	%				
CONFIDENCE IN OWN BUSINESS	POSITIVE		62	70	69	68	63				
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		18	10	10	14	18				
	NET BALANCE		+44	+60	+59	+54	+45				
		<u>ACTUAL EXPERIENCE DURING:</u>	<u>EXPECTATIONS FOR:</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>1998</u>	<u>98/99</u>	<u>1999</u>	<u>1999</u>	<u>98/99</u>	<u>99/00</u>				
		%	%	%	%	%	%				
SALES VALUE:	INCREASE	39	42	39	45	36	44	48	40	50	53
	DECREASE	25	21	27	21	29	12	14	11	9	13
	NET BALANCE	+14	+21	+12	+24	+7	+32	+34	+29	+41	+40
SIZE OF WORKFORCE:	INCREASE	13	11	14	10	10	15	14	13	10	16
	DECREASE	8	8	10	7	7	4	2	4	3	2
	NET BALANCE	+5	+3	+4	+3	+3	+11	+12	+9	+7	+14
WAGES BILL:	INCREASE	20	27	23	26	24	25	22	23	19	26
	DECREASE	10	7	9	9	9	7	4	6	6	5
	NET BALANCE	+10	+20	+14	+17	+15	+18	+18	+17	+13	+21
PRICES:	INCREASE	15	15	15	15	16	18	22	16	20	25
	DECREASE	9	6	3	3	7	4	2	3	1	3
	NET BALANCE	+6	+9	+12	+12	+9	+14	+20	+13	+19	+22
PROFITABILITY:	INCREASE	37	40	36	39	34	42	44	41	48	47
	DECREASE	28	21	28	24	28	14	14	12	10	14
	NET BALANCE	+9	+19	+8	+15	+6	+28	+30	+29	+38	+33
CAPITAL EXPENDITURE:	INCREASE	24	24	23	26	26	26	26	27	28	26
	DECREASE	19	20	12	19	18	21	20	17	16	21
	NET BALANCE	+5	+4	+11	+7	+8	+5	+6	+10	+12	+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 - Queensland

- Confidence fell to lowest since May 1998
- Sales and profits rebound strongly
- Second quarter of employment growth
- Prices growth up

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

SOURCE: Yellow Pages®
Small Business Index

		NOV 1998	FEB 1999	MAY 1999	AUG 1999	NOV 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	62	70	63	65	61					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	18	10	19	14	18					
	NET BALANCE	+44	+60	+44	+51	+43					
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999	NOV-JAN 99/00
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	40	45	34	36	43	45	48	46	60	48
	DECREASE	22	18	33	33	23	13	9	9	6	8
	NET BALANCE	+18	+27	+1	+3	+20	+32	+39	+37	+54	+40
SIZE OF WORKFORCE:	INCREASE	12	15	11	15	14	15	12	14	15	15
	DECREASE	12	5	13	9	10	2	2	7	3	4
	NET BALANCE	0	+10	-2	+6	+4	+13	+10	+7	+12	+11
WAGES BILL:	INCREASE	24	23	22	20	25	27	28	23	27	25
	DECREASE	10	4	11	20	13	3	4	8	5	5
	NET BALANCE	+14	+19	+11	0	+12	+24	+24	+15	+22	+20
PRICES:	INCREASE	14	17	18	14	22	15	24	18	24	28
	DECREASE	7	8	6	10	3	2	1	2	1	2
	NET BALANCE	+7	+9	+12	+4	+19	+13	+23	+16	+23	+26
PROFITABILITY:	INCREASE	38	38	30	28	35	44	47	43	55	42
	DECREASE	27	19	31	31	26	19	10	10	6	12
	NET BALANCE	+11	+19	-1	-3	+9	+25	+37	+33	+49	+30
CAPITAL EXPENDITURE:	INCREASE	29	20	20	28	22	18	27	22	28	22
	DECREASE	21	20	22	15	19	25	14	22	18	18
	NET BALANCE	+8	0	-2	+13	+3	-7	+13	0	+10	+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 - SA

- Confidence lower, but equal highest among states and territories
- Continued very strong sales growth, profit growth eased
- Sixth successive quarter of strong employment growth

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

SOURCE: Yellow Pages®
Small Business Index

		NOV 1998	FEB 1999	MAY 1999	AUG 1999	NOV 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE	72	69	72	77	75
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	11	7	13	6	12
	NET BALANCE	+61	+62	+59	+71	+63

		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL	AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL	AUG-OCT	NOV-JAN
		1998	98/99	1999	1999	1999	98/99	1999	1999	1999	99/00
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	41	45	45	43	49	44	43	39	53	53
	DECREASE	22	18	17	23	21	6	9	16	3	4
	NET BALANCE	+19	+27	+28	+20	+28	+38	+34	+24	+50	+49
SIZE OF WORKFORCE:	INCREASE	17	14	16	12	11	16	15	10	11	14
	DECREASE	13	5	7	8	5	3	3	1	2	3
	NET BALANCE	+4	+9	+9	+4	+6	+13	+12	+9	+9	+11
WAGES BILL:	INCREASE	22	14	23	28	23	25	25	25	24	23
	DECREASE	8	11	9	8	8	5	5	9	3	3
	NET BALANCE	+14	+3	+14	+20	+15	+20	+20	+16	+21	+20
PRICES:	INCREASE	23	24	16	22	19	19	31	24	18	26
	DECREASE	7	5	9	4	3	1	5	7	2	2
	NET BALANCE	+16	+19	+7	+18	+16	+18	+26	+17	+16	+24
PROFITABILITY:	INCREASE	35	39	39	40	36	44	40	36	53	50
	DECREASE	23	20	19	28	27	8	9	15	4	5
	NET BALANCE	+12	+19	+20	+12	+9	+36	+31	+21	+49	+45
CAPITAL EXPENDITURE:	INCREASE	18	20	21	21	20	28	21	30	25	22
	DECREASE	20	19	19	20	22	21	19	16	13	14
	NET BALANCE	-2	+1	+2	+1	-2	+7	+2	+14	+12	+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 - WA

- Confidence recovering
- Sales and profits growth rebound, expected to continue
- Prices growth accelerates

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

SOURCE: Yellow Pages®
Small Business Index

		NOV 1998	FEB 1999	MAY 1999	AUG 1999	NOV 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	60	75	75	65	67					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	19	9	13	18	11					
	NET BALANCE	+41	+66	+62	+47	+56					
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999	NOV-JAN 99/00
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	33	44	35	34	40	40	49	40	47	49
	DECREASE	31	29	24	31	30	21	11	14	15	10
	NET BALANCE	+2	+15	+11	+3	+10	+19	+38	+26	+32	+39
SIZE OF WORKFORCE:	INCREASE	12	13	15	10	12	14	10	13	17	15
	DECREASE	10	11	15	19	4	4	4	6	6	4
	NET BALANCE	+2	+2	0	-9	+8	+10	+6	+7	+11	+11
WAGES BILL:	INCREASE	17	17	26	15	17	16	21	19	24	20
	DECREASE	13	9	8	19	9	8	6	7	7	5
	NET BALANCE	+4	+8	+18	-4	+8	+8	+15	+12	+17	+15
PRICES:	INCREASE	18	20	18	19	22	26	24	21	20	28
	DECREASE	8	7	6	9	3	1	3	2	8	0
	NET BALANCE	+10	+13	+12	+10	+19	+25	+21	+19	+12	+28
PROFITABILITY:	INCREASE	31	33	30	25	35	40	45	37	40	40
	DECREASE	29	25	23	33	32	19	9	14	16	10
	NET BALANCE	+2	+8	+7	-8	+3	+21	+36	+23	+24	+30
CAPITAL EXPENDITURE:	INCREASE	22	19	27	20	17	20	22	15	21	27
	DECREASE	24	17	15	24	21	25	16	23	20	18
	NET BALANCE	-2	+2	+12	-4	-4	-5	+6	-8	+1	+9

* 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 up sharply, but still below national average
- Sales and profits rebound, sales expectations firmer
- Jobs numbers rise after three quarters of falls

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

SOURCE: Yellow Pages®
Small Business Index

		NOV 1998	FEB 1999	MAY 1999	AUG 1999	NOV 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE	48	51	59	54	62
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	18	11	19	24	19
	NET BALANCE	+30	+40	+40	+30	+43
ACTUAL EXPERIENCE DURING:						
		AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999
		%	%	%	%	%
EXPECTATIONS FOR:						
		NOV-JAN 98/99	FEB-APR 1999	MAY-JUL 1999	AUG-OCT 1999	NOV-JAN 99/00
		%	%	%	%	%
SALES VALUE:	INCREASE	25	37	41	28	39
	DECREASE	42	20	32	37	29
	NET BALANCE	-17	+17	+9	-9	+10
		+58	+31	+10	+38	+44
SIZE OF WORKFORCE:	INCREASE	16	10	8	4	15
	DECREASE	14	12	12	12	8
	NET BALANCE	+2	-2	-4	-8	+7
		+9	+2	+7	+13	+8
WAGES BILL:	INCREASE	17	15	20	15	26
	DECREASE	17	8	9	20	11
	NET BALANCE	0	+7	+11	-5	+15
		+22	+4	+8	+23	+23
PRICES:	INCREASE	29	18	18	12	17
	DECREASE	11	11	6	5	6
	NET BALANCE	+18	+7	+12	+7	+11
		+21	+10	+3	+12	+22
PROFITABILITY:	INCREASE	23	31	37	25	34
	DECREASE	38	21	28	39	30
	NET BALANCE	-15	+10	+9	-14	+4
		+50	+28	+5	+36	+36
CAPITAL EXPENDITURE:	INCREASE	22	15	21	20	22
	DECREASE	24	22	21	16	23
	NET BALANCE	-2	-7	0	+4	-1
		+12	0	-5	+3	-3

* 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 recovering
- Sales and profits up sharply after three quarters of little growth
- Employment continues to fall, expectations continue to weaken

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

SOURCE: Yellow Pages®
Small Business Index

		NOV 1998	FEB 1999	MAY 1999	AUG 1999	NOV 1999					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	68	82	64	67	71					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	19	8	9	18	12					
	NET BALANCE	+49	+74	+55	+49	+59					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL	AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL	AUG-OCT	NOV-JAN
		1998	98/99	1999	1999	1999	98/99	1999	1999	1999	99/00
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	39	30	38	35	55	26	75	61	52	40
	DECREASE	32	33	40	29	23	30	2	6	12	28
	NET BALANCE	+7	-3	-2	+6	+32	-4	+73	+55	+40	+12
SIZE OF WORKFORCE:	INCREASE	15	11	20	11	12	13	32	19	14	14
	DECREASE	25	14	13	17	16	8	2	4	7	11
	NET BALANCE	-10	-3	+7	-6	-4	+5	+30	+15	+7	+3
WAGES BILL:	INCREASE	22	15	19	19	36	17	38	30	20	22
	DECREASE	17	16	16	19	13	14	3	5	11	17
	NET BALANCE	+5	-1	+3	0	+23	+3	+35	+25	+9	+5
PRICES :	INCREASE	20	20	16	12	20	17	22	16	16	15
	DECREASE	8	6	5	8	8	2	0	2	5	6
	NET BALANCE	+12	+14	+11	+4	+12	+15	+22	+14	+11	+9
PROFITABILITY:	INCREASE	37	24	37	35	46	34	66	58	49	41
	DECREASE	30	24	31	29	21	28	3	8	10	28
	NET BALANCE	+7	0	+6	+6	+25	+6	+63	+50	+39	+13
CAPITAL EXPENDITURE:	INCREASE	25	21	26	22	31	18	31	29	32	18
	DECREASE	24	24	20	27	22	28	19	14	29	33
	NET BALANCE	+1	-3	+6	-5	+9	-10	+12	+15	+3	-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

- Confidence strong and stable
- Very strong sales growth, albeit slower, with further strong growth expected
- Profits continue to grow very strongly
- No employment growth but expectations firmer
- Support for Carnell Government continues to grow

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

SOURCE: Yellow Pages®
Small Business Index

		NOV 1998	FEB 1999	MAY 1999	AUG 1999	NOV 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE	70	76	70	72	74
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	14	10	10	7	11
	NET BALANCE	+56	+66	+60	+65	+63

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL	AUG-OCT	NOV-JAN	FEB-APR	MAY-JUL	AUG-OCT	NOV-JAN
		1998	98/99	1999	1999	1998	98/99	1999	1999	1999	99/00
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	56	50	48	56	50	43	50	46	51	51
	DECREASE	15	14	15	16	23	18	13	11	10	10
	NET BALANCE	+41	+36	+33	+40	+27	+25	+37	+35	+41	+41
SIZE OF WORKFORCE:	INCREASE	21	7	17	17	7	18	13	14	14	16
	DECREASE	7	8	10	8	7	3	5	8	6	2
	NET BALANCE	+14	-1	+7	+9	0	+15	+8	+6	+8	+14
WAGES BILL:	INCREASE	29	18	19	23	27	20	22	24	19	22
	DECREASE	5	11	12	3	8	5	6	9	6	3
	NET BALANCE	+24	+7	+7	+20	+19	+15	+16	+15	+13	+19
PRICES:	INCREASE	18	13	19	21	15	11	19	19	25	19
	DECREASE	5	7	7	5	3	2	1	0	1	2
	NET BALANCE	+13	+6	+12	+16	+12	+9	+18	+19	+24	+17
PROFITABILITY:	INCREASE	48	49	46	47	45	47	45	37	47	51
	DECREASE	16	11	13	18	17	15	11	11	8	8
	NET BALANCE	+32	+38	+33	+29	+28	+32	+34	+26	+39	+43
CAPITAL EXPENDITURE:	INCREASE	28	17	21	27	23	28	30	22	26	13
	DECREASE	19	23	19	13	27	21	9	16	18	33
	NET BALANCE	+9	-6	+2	+14	-4	+7	+2	+6	+8	-20

* 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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ATTITUDES TO CHANGES IN FBT - JULY 1999

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WORKERS COMPENSATION & WORKPLACE SAFETY - NOVEMBER 1998

THE PAPERWORK BURDEN ON SMALL BUSINESS - OCTOBER 1996

WOMEN IN BUSINESS - JULY 1994 & FEBRUARY 1996

ATTITUDES TO GOVERNMENT - OCTOBER 1994 & NOVEMBER 1995

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

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

SOCIAL ISSUES - NOVEMBER 1993

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

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 72 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™, 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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