

UNDER EMBARGO: FOR RELEASE TO PUBLIC ON TUESDAY 6 SEPTEMBER 2011

NOTE: These are NSW for the Sensis® *Business Index*. Please see separate release for national results. The quarterly survey began in 1993 and provides the latest snapshot of small and medium (1-199 employees) business activity in Australia. It is based on a sample size of 1,800 businesses from metropolitan and regional areas, interviewed between 29 July and 26 August 2011.

Tough business conditions take sparkle off NSW Government

The honeymoon period appears to be over for the New South Wales Government, according to the Sensis® *Business Index* released today, as the state's small businesses experience another quarter of weak trading conditions.

Report author Ms Christena Singh said New South Wales small businesses experienced further declines in sales and profitability during the quarter.

"The profitability and sales indicators declined again in New South Wales and remain strongly negative," Ms Singh explained.

The report shows small business support for the policies of the New South Wales Government also waned during the quarter, recording the largest fall in support across the nation. This follows an enormous rise in support recorded in the previous quarter.

"The new government enjoyed strong support from small businesses last quarter, taking the approval rating from strongly negative to strongly positive.

"While the decline in support this quarter reverses some of last quarter's increase, the approval rating remains considerably higher than before the election," she added.

Business confidence in New South Wales has remained relatively stable during the quarter, and sits above the national average. Overall employment also grew and small and medium businesses were expecting profitability and sales to improve in the coming quarter.

"New South Wales small businesses are resilient and very nimble, with many taking proactive measures to counteract the changing conditions and to make the most of new opportunities that arise," she noted.

According to the report, 41 per cent of New South Wales small businesses are planning to introduce new products and services during the financial year, while another 41 per cent are

looking to increase their digital presence. Thirty-four per cent plan to increase advertising activities and 27 per cent plan to increase social media activities.

The report shows 16 per cent of New South Wales small businesses are considering closing or selling their business, compared to 17 per cent for the national average.

Key NSW findings from the September 2011 Sensis® *Business Index*:

- Business confidence fell slightly from 20 to 19 per cent
- Profitability declined amongst the small business sector, with the indicator down from negative 12 per cent to negative 32 per cent
- The sales indicator fell, down three percentage points to negative 23 per cent
- Overall employment by New South Wales small businesses rose, taking the indicator up from negative four to positive one per cent
- Support for the New South Wales Government's policies fell 19 percentage points during the quarter, taking the indicator to negative one per cent.

New South Wales business plans for the Financial Year:

Introduce new products and services	41%
Increase advertising activities	34%
Increase digital presence	41%
Introduce/increase social media activities	27%
Refinance business	15%
Sell or close business	16%
Start a new business	6%
Hire more staff	26%
Decrease staff	12%
Develop business plan	35%
Undertake financial planning	25%
Increase sales force/activities	41%
Seek professional assistance to grow business	20%
Take on a business partner	6%
Personally work less in the business	19%
Personally work more in the business	35%
Appoint senior staff to help run the business	18%

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The Sensis® *Business Index* is available now by contacting the above or can be downloaded from www.about.sensis.com.au/resources from 9am Tuesday 6 September 2011.