

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

NOTE: These are South Australian 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.

**SA business hit record lows**

Business confidence in South Australia has plummeted to a record low, according to the Sensis® *Business Index*, as has small business support for the South Australian Government.

Report author Ms Christena Singh said business confidence in South Australia fell sharply during the quarter to be the lowest level in the nation.

“The business confidence indicator is now negative, and this is the weakest result we’ve seen for South Australia in the 18-year history of the report.

“There are now more small businesses in South Australia that are worried about their business prospects than there are small businesses that are confident,” Ms Singh said.

The report shows South Australian small businesses are concerned that people are not spending.

“However, South Australian small businesses are resilient and very nimble, with many taking proactive measures to counteract the changing conditions experienced during the last six months and to make the most of new opportunities that arise,” she noted.

According to the report, 44 per cent of South Australian small businesses are planning to introduce new products and services during this financial year. One third expect to increase their digital presence, while 29 per cent plan to increase advertising activities, and 33 per cent are aiming to develop a business plan.

Despite the downturn in conditions in South Australia, the employment indicator, overall, remains positive, and South Australia’s small businesses have the equal highest employment expectations for the coming quarter.

Overall, South Australian small businesses expect employment to remain positive during the financial year. Three in 10 small businesses indicate they will increase their sales force during the period, while business operators expect to personally work more in the business.

“Interestingly, despite low business confidence, South Australia has a lower than average proportion of small businesses who are expecting to sell or close their business during the financial year,” she commented.

In line with weak trading conditions, small business support for the South Australian Government also waned during the quarter, with less than one in 10 businesses now believing the government’s policies support the sector.

“Business support for the South Australian Government is the lowest level ever recorded for the state in the 18 years the report has been produced,” Ms Singh concluded.

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

- Business confidence fell from 16 to negative five per cent
- Profitability weakened amongst the small business sector, with the indicator down 13 percentage points to negative 29 per cent
- The sales indicator fell further, down three percentage points to negative 16 per cent
- Overall employment by small businesses rose strongly, up six percentage point during the quarter, taking the indicator to positive three per cent.
- Support for the South Australian Government’s policies fell three percentage points during the quarter, taking the indicator to negative 41 per cent.

**SA business plans for the Financial Year:**

Introduce new products and services	44%
Increase advertising activities	29%
Increase digital presence	33%
Introduce/increase social media activities	24%
Refinance business	13%
Sell or close business	14%
Start a new business	2%
Hire more staff	25%
Decrease staff	11%
Develop business plan	33%
Undertake financial planning	32%
Increase sales force/activities	30%

Seek professional assistance to grow business	17%
Take on a business partner	6%
Personally work less in the business	21%
Personally work more in the business	33%
Appoint senior staff to help run the business	19%

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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](http://www.about.sensis.com.au/resources) from 9am Tuesday 6 September 2011.