

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

NOTE: These are the Western Australian results for the Sensis® *Business Index*. Please see separate national release. 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.

Quiet registers weigh on WA businesses

One third of Western Australian small businesses are worried about their prospects for the next 12 months, according to the Sensis® *Business Index* released today.

Report author Ms Christena Singh said business confidence amongst Western Australian small businesses deteriorated during the quarter.

“Business confidence has taken a beating in Western Australia, with many small businesses concerned that people are not spending. However, Western Australian business confidence remains slightly above the national average.

“Trading conditions have been weak for Western Australian small businesses during the quarter, with sales substantially down, profitability stagnant, but prices rising,” she explained.

Western Australian small businesses are also expecting another quarter of weak conditions.

“However, Western Australian small businesses are resilient and very nimble, with many taking proactive measures to counteract the changing conditions,” she noted.

According to the report, 41 per cent of Western Australian small businesses are planning to introduce new products and services during this financial year, while 38 per cent expect to develop a business plan, 37 per cent to increase their digital presence, 30 per cent to increase advertising activities and 24 per cent to increase social media activities.

The report indicates 16 per cent of Western Australian small businesses are looking to close or sell their business (lower than national average of 17 per cent).

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

- Business confidence fell from 29 to 17 per cent

- Profitability was stagnant amongst the small business sector, with the indicator remaining at negative 25 per cent
- The sales indicator fell strongly, down seven percentage points to negative 20 per cent
- Overall employment by Western Australian small businesses contracted further, taking the indicator down from negative two to negative three per cent
- Support for the Western Australian Government's policies fell slightly from positive two to positive one per cent, making it only one of three governments to record a positive score.

WA business plans for the Financial Year:

Introduce new products and services	41%
Increase advertising activities	30%
Increase digital presence	37%
Introduce/increase social media activities	24%
Refinance business	12%
Sell or close business	16%
Start a new business	5%
Hire more staff	20%
Decrease staff	8%
Develop business plan	38%
Undertake financial planning	25%
Increase sales force/activities	28%
Seek professional assistance to grow business	17%
Take on a business partner	9%
Personally work less in the business	28%
Personally work more in the business	23%
Appoint senior staff to help run the business	13%

-ends-

For interviews with the report author or for further information contact:

De-Arne Carr on 03 9397 5677 or 0419 585 711

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.