

Introduction

The *Yellow Pages*TM 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 next three and 12 months; 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 Yellow Pages Australia 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 largest economic 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 randomly selected 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 1995 is used to weight the sample to be representative of the total business population.

Interviewing for this latest (November) survey was conducted over the period 24th October to 7th November 1995. The report covers the experience over the past three months (August, September and October) and expectations for both the current quarter (November, December and January) and the 12 months ending November 1996.

Note that in the latest survey the sample was increased to allow us to examine separately the ACT. In previous reports, the ACT was included in New South Wales' data.

Location of Business

	TOTAL	METRO	NON-METRO
NSW/ACT	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

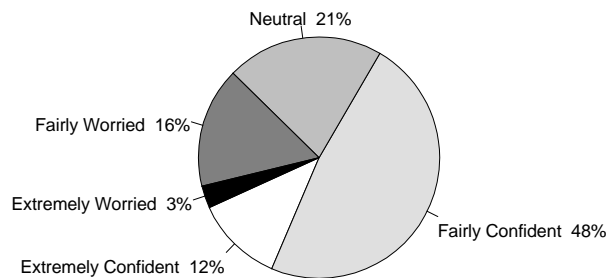
CONFIDENCE IN PROSPECTS OVER THE NEXT 12 MONTHS

Nationally, small business confidence remains strong and positive despite five consecutive quarters of decline from the peak of 1994. A net 41% of small business proprietors surveyed in November are confident about their business prospects in the 12 months ahead compared with 46% three months ago and the peak level of 65% in February, May and August 1994.

Regionally, confidence has collapsed in Queensland. A net 14% only of Queensland small business proprietors are confident about their next 12 months compared with 55% a year ago. In contrast, confidence in Western Australia strengthened significantly in the three months to November.

Confidence is strongest in the recreation/personal services and transport/storage sectors and weakest in building and construction.

Overall Confidence - November 1995



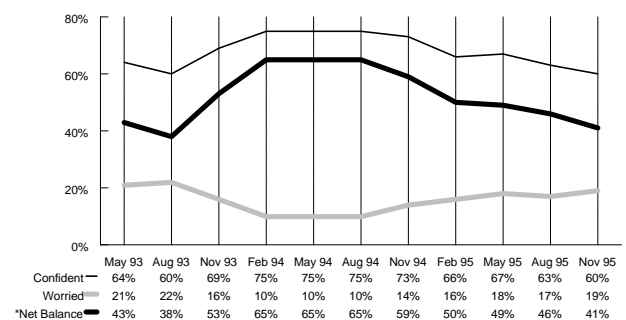
SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

Confidence Trends - Last Five Quarters

	Nov 94	Feb 95	May 95	Aug 95	Nov 95
Extremely Confident	16%	11%	11%	14%	12%
Fairly Confident	57%	55%	56%	49%	48%
Neutral	13%	18%	15%	20%	21%
Fairly Worried	12%	14%	15%	14%	16%
Extremely Worried	2%	2%	3%	3%	3%
Total Confident	73%	66%	67%	63%	60%
Total Worried	14%	16%	18%	17%	19%
*NET BALANCE	+59%	+50%	+49%	+46%	+41%

SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

Confidence - Long Term Trends



SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

Trends By State *Net Balance

	Nov 94	Feb 95	May 95	Aug 95	Nov 95
NATIONAL	59%	50%	49%	46%	41%
NSW	58%	48%	48%	44%	49%
VIC	60%	41%	60%	52%	45%
QLD	55%	55%	30%	32%	14%
SA	55%	51%	46%	52%	48%
WA	71%	60%	52%	47%	56%
TAS	66%	47%	52%	42%	31%
NT	N/A	N/A	N/A	67%	65%
ACT	N/A	N/A	N/A	N/A	35%

SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

Trends By Sector *Net Balance

	Nov 94	Feb 95	May 95	Aug 95	Nov 95
All Businesses	59%	50%	49%	46%	41%
Manufacturing	65%	57%	49%	50%	41%
Building/Construction	39%	30%	30%	40%	30%
Wholesale/Retail	60%	49%	49%	45%	42%
Transport/Storage	56%	63%	62%	47%	47%
Business Services	67%	49%	49%	40%	38%
Personal Services	59%	64%	67%	60%	49%

SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

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

EXPECTATIONS ON KEY INDICATORS OVER THE NEXT 12 MONTHS

Despite the continuing slide in confidence as the economy has slowed, almost two-thirds of small businesses expect to increase sales in the next 12 months and a net 50% expect to increase profits.

Expectations for the twelve months ahead firmed for all key indicators between August 1995 and November 1995.

Expectations On Key Indicators Over The Next Twelve Months - November 95

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	65%	9%	56%
Size of workforce	27%	3%	24%
Wages bill	45%	5%	40%
Marketing expenditure	35%	6%	29%
Profitability	60%	10%	50%
Capital expenditure	36%	20%	16%

SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

Expectations On Key Indicators Trends in *Net Balance

	Nov 94	Feb 95	May 95	Aug 95	Nov 95
Value of sales	66%	55%	50%	52%	56%
Size of workforce	31%	24%	22%	22%	24%
Wages bill	45%	33%	33%	34%	40%
Marketing expenditure	33%	29%	29%	28%	29%
Profitability	62%	50%	47%	47%	50%
Capital expenditure	28%	9%	13%	8%	16%

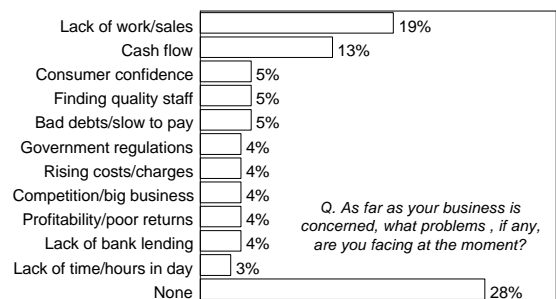
SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

CONCERNS

Levels of concern over problems facing their businesses eased over the three months to November. In the latest survey, 28% reported no concerns versus 23% in August 1995. Lack of work/sales and cash flow remain the dominant concerns.

Finding quality staff is identified by proprietors as a particular problem in New South Wales, the Northern Territory and Western Australia.

Prime Concerns November 1995



SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

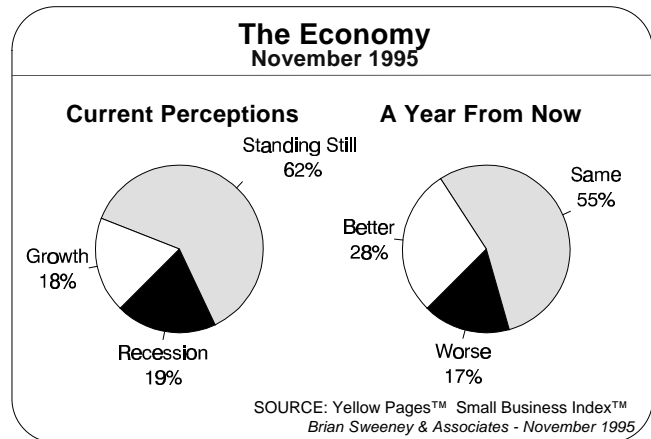
*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

ECONOMIC OUTLOOK

Almost two-thirds of small businesses view the economy as stalled, i.e. neither growing nor contracting, an assessment unchanged from three months ago. The proportion of proprietors perceiving growth in the economy is counterbalanced by the proportion perceiving it to be contracting — though it should be stressed that responses to this question varied substantially by region.

At one extreme, proprietors in Queensland (and to a lesser extent, South Australia and Tasmania), on balance, report the economy to be in recession now. In contrast, proprietors in Western Australia, New South Wales, Victoria and the Territories see the economy as currently growing.

Perceptions of the economy in 12 months time have strengthened over the three months since the previous survey. Economic perceptions for the year ahead are strongest in New South Wales, the ACT, Western Australia and Victoria.



Perceptions of the Economy - Trends

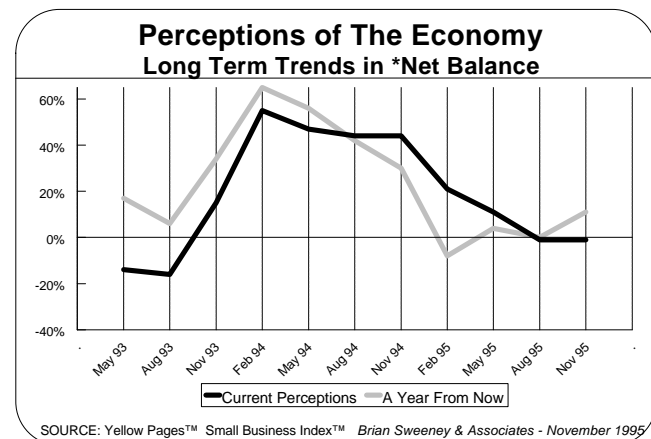
	Nov 94	Feb 95	May 95	Aug 95	Nov 95
CURRENT PERCEPTIONS					
Growth	51%	35%	28%	19%	18%
Recession	7%	14%	17%	20%	19%
*Net Balance	+44%	+21%	+11%	-1%	-1%
A YEAR FROM NOW					
Better	43%	22%	23%	22%	28%
Worse	13%	30%	19%	22%	17%
*Net Balance	+30%	-8%	+4%	0%	+11%
INFLATION EXPECTATION 12 MONTHS AHEAD					
	3.2%	3.4%	4.0%	4.0%	5.2%

SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

Perceptions of the Economy by State *Net Balance for November 1995

	Current Perceptions	A Year From Now
NATIONAL	-1%	11%
NSW	8%	21%
VIC	4%	10%
QLD	-27%	-4%
SA	-10%	6%
WA	15%	16%
TAS	-12%	0%
NT	1%	-6%
ACT	4%	19%

SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995



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

SALES

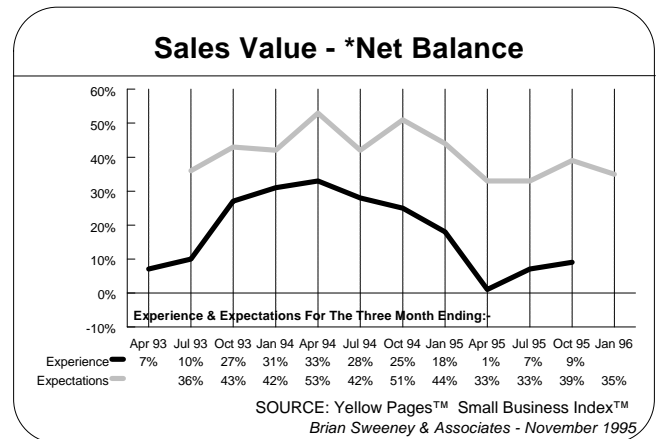
Sales growth nationally was stable with a net 9% of proprietors surveyed reporting increased sales in the past three months (August-October).

Across the States, sales growth firmed in all states other than NSW and the Northern Territory. Consistent with expectations reported three months ago, actual sales growth in Western Australia rebounded strongly.

Expectations for sales growth declined nationally, but particularly in Queensland. In contrast, sales expectations in Victoria were buoyant.

Small business sales growth in the latest three months (August-October) was strongly positive in business and financial services and in the recreation and personal services sectors.

Conversely, declining sales growth was reported by a greater proportion of small businesses in the building and construction sector — a move contrary to expectations signalled in the previous (August) survey.



Sales expectations for the current (November-January) quarter have weakened slightly overall, though markedly so in the wholesale/retail sector.

PRICES

Small business proprietors were asked for the first time:

“In the last three months have average prices of your goods and services increased, decreased or stayed the same?”

In response, 70% indicated that their prices had remained the same, 20% indicated that they had increased, 10% that they had decreased. In other words, a net 10% indicated that their prices had increased.

Price rises were more likely to be reported by the recreation and personal services businesses; least so in the transport and storage and finance, property and business services sectors.

Nationally, a net 14% of proprietors expect to increase their average selling prices in the current three months (November-January).

Percentage of small business proprietors reporting...	Experience During Aug-Oct '95	Expectations for Nov 95-Jan 96
Increase	20%	18%
Decrease	10%	4%
*Net Balance	10%	14%

SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

	Experience Aug-Oct 95	Expectation Nov 95-Jan 96
Total	10%	14%
Manufacturing	12%	20%
Building/Construction	10%	14%
Wholesale/Retail	10%	11%
Transport/Storage	3%	22%
Business Services	3%	9%
Personal Services	21%	16%

SOURCE: Yellow Pages™ Small Business Index™
Brian Sweeney & Associates - November 1995

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

EMPLOYMENT

Employment growth among small businesses in the past three months (August-October) was positive and stable nationally.

This stability disguises the substantial variation regionally with the Northern Territory and Western Australia reporting strong employment growth in sharp contrast to the Queensland small businesses.

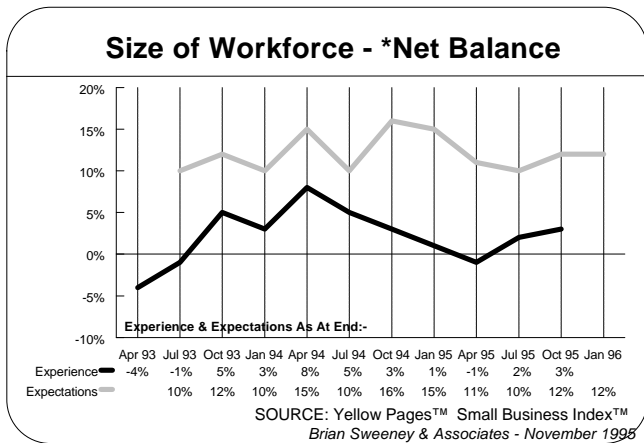
Employment expectations for the current three months (November-January) are stable.

In this November survey, proprietors were asked:

“Are there any particular barriers or impediments which prevent your firm taking on new employees?”

Close to 70% indicated that there were barriers. These proprietors were then asked “*What would these barriers be?*”. The unprompted responses were:

- Lack of work /no work (38%)
- Cost of employing staff/extra overheads/salary loading (29%)
- Employment conditions/unfair dismissal clause/ industrial relation policies/hard to dismiss (17%)
- Lack of cash flow (12%).

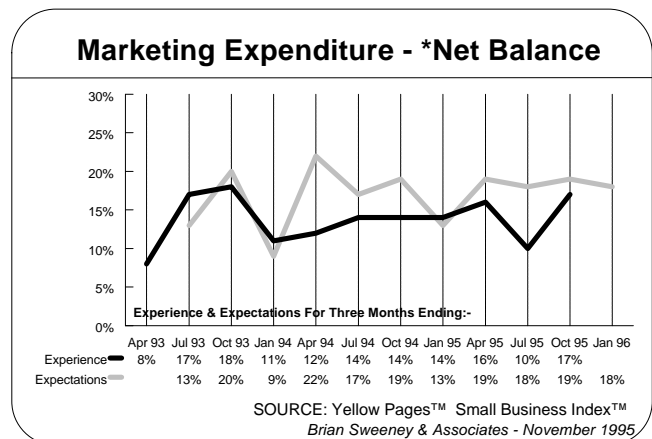
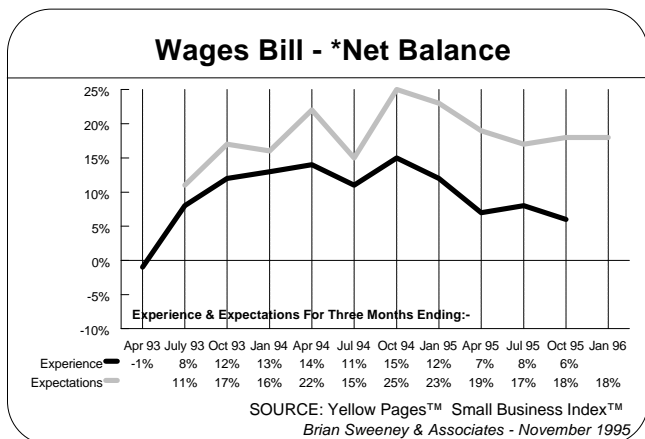


OPERATING EXPENSES

Wages bill growth eased marginally in the latest quarter (August-October). Across the states and territories, reported growth was strongest in Western Australia and Queensland.

Expectations for wages bill growth in the current quarter are unchanged nationally and are strongest in the two territories.

Growth in marketing expenditure is effectively unchanged, as are expectations for the current quarter.



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PROFITABILITY & CAPITAL EXPENDITURE

Growth in profitability among small business nationally has slowed to a standstill, with the proportion reporting increases exactly offset by those reporting decreased profits.

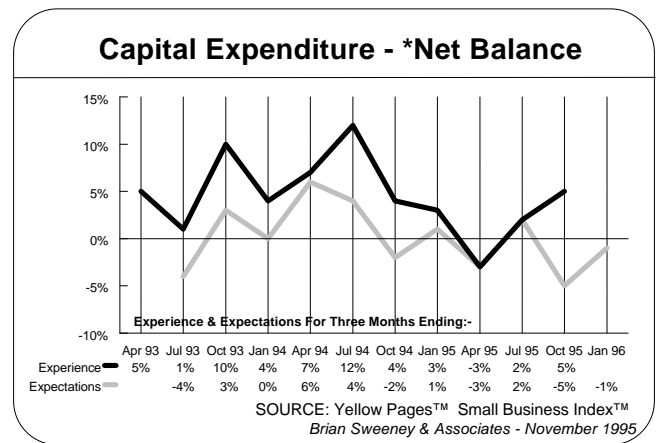
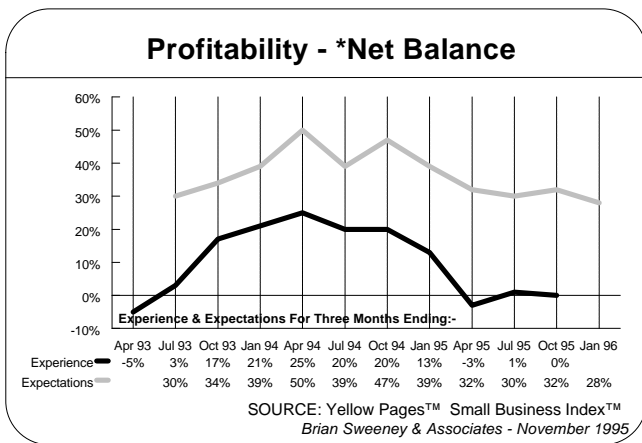
In contrast, 12 months ago a net 20% of proprietors were reporting increased profits.

Profit growth expectations have weakened slightly over the last three months with the biggest fall reported in Queensland. Profit growth expectations are strongest among Victorian small businesses.

Investment (capital expenditure) growth reported by small businesses strengthened for the second consecutive quarter. This is contrary to the weakening in expectations reported by proprietors in August.

Investment growth strengthened substantially in Western Australia and Tasmania and the dramatic falls in investment predicted three months ago in Queensland and South Australia did not occur.

Expectations for capital expenditure growth, in the current quarter (November-January) have firmed, particularly in the Northern Territory, South Australia and Victoria, in line with more positive expectations for the economy.



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

Small Business Outlook - National

- Confidence again eased but remains strong with stronger sales and profits expected in the year ahead.
- Activity and expectations differ substantially between regions and sectors, with WA and Queensland the strongest and weakest states respectively and recreation and personal services and building/construction the strongest and weakest sectors respectively.

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

SOURCE: Yellow Pages™ Small Business Index™

		NOV 1994	FEB 1995	MAY 1995	AUG 1995	NOV 1995							
		%	%	%	%	%							
CONFIDENCE IN OWN BUSINESS	POSITIVE	73	66	67	63	60							
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	14	16	18	17	19							
	NET BALANCE	+59	+50	+49	+46	+41							
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>						
		AUG-OCT 1994	NOV-JAN 94/95	FEB-APR 1995	MAY-JUL 1995	AUG-OCT 1995	NOV-JAN 94/95	FEB-APR 1995	MAY-JUL 1995	AUG-OCT 1995	NOV-JAN 95/96		
		%	%	%	%	%	%	%	%	%	%		
SALES VALUE:	INCREASE	45	43	33	37	38	54	50	46	50	48		
	DECREASE	20	25	32	30	29	10	17	13	11	13		
	NET BALANCE	+25	+18	+1	+7	+9	+44	+33	+33	+39	+35		
SIZE OF WORKFORCE:	INCREASE	15	14	15	16	15	18	16	16	16	15		
	DECREASE	12	13	16	14	12	3	5	6	4	3		
	NET BALANCE	+3	+1	-1	+2	+3	+15	+11	+10	+12	+12		
WAGES BILL:	INCREASE	27	24	21	23	20	28	25	26	25	24		
	DECREASE	12	12	14	15	14	5	6	9	7	6		
	NET BALANCE	+15	+12	+7	+8	+6	+23	+19	+17	+18	+18		
MARKETING EXPENDITURE:	INCREASE	25	26	26	25	28	22	26	27	28	28		
	DECREASE	11	12	10	15	11	9	7	9	9	10		
	NET BALANCE	+14	+14	+16	+10	+17	+13	+19	+18	+19	+18		
PROFITABILITY:	INCREASE	41	38	30	31	31	49	48	44	46	43		
	DECREASE	21	25	33	30	31	10	16	14	14	15		
	NET BALANCE	+20	+13	-3	+1	0	+39	+32	+30	+32	+28		
CAPITAL EXPENDITURE:	INCREASE	25	26	20	25	23	23	22	26	22	23		
	DECREASE	21	23	23	23	18	22	25	24	27	24		
	NET BALANCE	+4	+3	-3	+2	+5	+1	-3	+2	-5	-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

- Sales growth has moderated from its previous three months surge but NSW still continues to be one of the strongest states in terms of sales growth.
- Sales growth expectations are also very strong.
- Investment (capital expenditure) growth remains strong in NSW, with a net 13% reporting growth.

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

SOURCE: Yellow Pages™ Small Business Index™

		NOV 1994	FEB 1995	MAY 1995	AUG 1995	NOV 1995					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	73	65	67	64	66					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	15	17	19	20	17					
	NET BALANCE	+58	+48	+48	+44	+49					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		AUG-OCT 1994	NOV-JAN 94/95	FEB-APR 1995	MAY-JUL 1995	AUG-OCT 1995	NOV-JAN 94/95	FEB-APR 1995	MAY JUL 1995	AUG-OCT 1995	NOV-JAN 95/96
		%	%	%	%	%	%	%	%	%	
SALES VALUE:	INCREASE	47	43	35	44	41	53	53	54	50	53
	DECREASE	17	23	28	21	26	10	14	10	8	9
	NET BALANCE	+30	+20	+7	+23	+15	+43	+39	+44	+42	+44
SIZE OF WORKFORCE:	INCREASE	12	9	9	17	15	20	19	20	16	16
	DECREASE	14	15	17	14	10	2	3	4	3	3
	NET BALANCE	-2	-6	-8	+3	+5	+18	+16	+16	+13	+13
WAGES BILL:	INCREASE	20	19	16	21	19	26	28	30	22	28
	DECREASE	19	17	13	18	14	6	5	9	7	5
	NET BALANCE	+1	+2	+3	+3	+5	+20	+23	+21	+15	+23
MARKETING EXPENDITURE:	INCREASE	20	25	27	20	33	24	22	25	31	29
	DECREASE	11	11	12	16	11	12	9	7	7	5
	NET BALANCE	+9	+14	+15	+4	+22	+12	+13	+18	+24	+24
PROFITABILITY:	INCREASE	42	41	31	36	32	48	51	50	46	47
	DECREASE	18	25	30	25	27	8	14	11	15	14
	NET BALANCE	+24	+16	+1	+11	+5	+40	+37	+39	+31	+33
CAPITAL EXPENDITURE:	INCREASE	27	26	19	31	27	22	20	24	26	23
	DECREASE	20	22	22	18	14	25	30	26	28	24
	NET BALANCE	+7	+4	-3	+13	+13	-3	-10	-2	-2	-1

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.
Note: Previous reports showed combined NSW/ACT data. The ACT is now reported separately and the above figures are for NSW only.

Small Business Outlook - Victoria

- Small business confidence continues to ease in Victoria, despite a slight firming in sales value.
- Expectations for sales growth remain strong.
- Expectations for profitability are relatively stable and expectations for capital expenditure growth have improved.

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

SOURCE: Yellow Pages™ Small Business Index™

		NOV 1994	FEB 1995	MAY 1995	AUG 1995	NOV 1995							
		%	%	%	%	%							
CONFIDENCE IN OWN BUSINESS	POSITIVE	73	60	73	64	61							
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	13	19	13	12	16							
	NET BALANCE	+60	+41	+60	+52	+45							
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>						
		AUG-OCT 1994	NOV-JAN 94/95	FEB-APR 1995	MAY-JUL 1995	AUG-OCT 1995	NOV-JAN 94/95	FEB-APR 1995	MAY-JUL 1995	AUG-OCT 1995	NOV-JAN 95/96		
		%	%	%	%	%	%	%	%	%	%		
SALES VALUE:	INCREASE	46	45	33	31	35	53	44	37	53	51		
	DECREASE	20	25	31	32	29	9	18	17	9	12		
	NET BALANCE	+26	+20	+2	-1	+6	+44	+26	+20	+44	+39		
SIZE OF WORKFORCE:	INCREASE	17	18	23	14	15	16	16	15	16	18		
	DECREASE	12	14	13	16	15	2	3	12	3	3		
	NET BALANCE	+5	+4	+10	-2	0	+14	+13	+3	+13	+15		
WAGES BILL:	INCREASE	32	29	24	19	14	30	22	17	28	25		
	DECREASE	6	8	12	12	12	2	5	14	5	6		
	NET BALANCE	+26	+21	+12	+7	+2	+28	+17	+3	+23	+19		
MARKETING EXPENDITURE:	INCREASE	23	24	23	28	24	20	29	27	26	25		
	DECREASE	9	12	6	13	10	7	6	9	10	14		
	NET BALANCE	+14	+12	+17	+15	+14	+13	+23	+18	+16	+11		
PROFITABILITY:	INCREASE	42	38	28	29	32	48	42	41	48	48		
	DECREASE	23	25	31	29	29	10	15	18	9	11		
	NET BALANCE	+19	+13	-3	0	+3	+38	+27	+23	+39	+37		
CAPITAL EXPENDITURE:	INCREASE	23	21	18	20	16	21	25	28	24	28		
	DECREASE	19	23	21	24	22	20	18	23	23	19		
	NET BALANCE	+4	-2	-3	-4	-6	+1	+7	+5	+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 - Queensland

- Sales value, employment and profitability all show a negative net balance with a significant downturn on profitability evident since the previous survey.
- Expectations for sales value and profitability have also eased substantially.

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

SOURCE: Yellow Pages™ Small Business Index™

		<u>NOV 1994</u>	<u>FEB 1995</u>	<u>MAY 1995</u>	<u>AUG 1995</u>	<u>NOV 1995</u>					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	70	69	56	55	43					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	15	14	26	23	29					
	NET BALANCE	+55	+55	+30	+32	+14					
		<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>FEB-APR</u>	<u>MAY-JUL</u>	<u>AUG-OCT</u>	<u>NOV-JAN</u>
		<u>1994</u>	<u>94/95</u>	<u>1995</u>	<u>1995</u>	<u>1995</u>	<u>94/95</u>	<u>1995</u>	<u>1995</u>	<u>1995</u>	<u>95/96</u>
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	44	38	30	30	34	52	45	49	49	36
	DECREASE	25	29	46	39	38	16	23	9	15	20
	NET BALANCE	+19	+9	-16	-9	-4	+36	+22	+40	+34	+16
SIZE OF WORKFORCE:	INCREASE	18	15	9	16	13	15	11	9	12	10
	DECREASE	8	13	19	13	17	5	9	5	5	4
	NET BALANCE	+10	+2	-10	+3	-4	+10	+2	+4	+7	+6
WAGES BILL:	INCREASE	30	26	20	22	27	24	23	21	23	20
	DECREASE	9	14	22	16	17	8	9	5	9	9
	NET BALANCE	+21	+12	-2	+6	+10	+16	+14	+16	+14	+11
MARKETING EXPENDITURE:	INCREASE	26	29	28	30	28	24	32	26	26	30
	DECREASE	14	13	14	21	15	11	8	15	12	17
	NET BALANCE	+12	+16	+14	+9	+13	+13	+24	+11	+14	+13
PROFITABILITY:	INCREASE	38	34	26	25	27	48	41	43	43	30
	DECREASE	24	32	46	35	44	10	21	13	17	24
	NET BALANCE	+14	+2	-20	-10	-17	+38	+20	+30	+26	+6
CAPITAL EXPENDITURE:	INCREASE	24	26	19	28	26	21	24	21	17	16
	DECREASE	21	27	27	26	19	20	27	31	35	31
	NET BALANCE	+3	-1	-8	+2	+7	+1	-3	-10	-18	-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 - SA

- Confidence is relatively stable.
- A net 10% of small businesses in South Australia believe that the economy is currently not growing. This contrasts with the November 1994 survey, where a net 40% of small business proprietors believed the economy was in a growth phase.
- Growth in sales and profitability firmed in the past three months.
- Expectations for growth firmed for all indicators other than sales and profitability although these remain strong.
- The expectation for a decline in capital expenditure recorded three months ago, did not materialise.

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

SOURCE: Yellow Pages™ Small Business Index™

		NOV 1994	FEB 1995	MAY 1995	AUG 1995	NOV 1995							
		%	%	%	%	%							
CONFIDENCE IN OWN BUSINESS	POSITIVE	71	68	66	66	63							
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	16	17	20	14	15							
	NET BALANCE	+55	+51	+46	+52	+48							
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>						
		AUG-OCT 1994	NOV-JAN 94/95	FEB-APR 1995	MAY-JUL 1995	AUG-OCT 1995	NOV-JAN 94/95	FEB-APR 1995	MAY-JUL 1995	AUG-OCT 1995	NOV-JAN 95/96		
		%	%	%	%	%	%	%	%	%	%		
SALES VALUE:	INCREASE	53	48	36	39	39	66	55	51	47	51		
	DECREASE	13	28	35	34	25	8	11	13	9	13		
	NET BALANCE	+40	+20	+1	+5	+14	+58	+44	+38	+38	+38		
SIZE OF WORKFORCE:	INCREASE	17	15	15	10	12	20	12	12	10	13		
	DECREASE	10	11	11	11	14	2	5	4	6	1		
	NET BALANCE	+7	+4	+4	-1	-2	+18	+7	+8	+4	+12		
WAGES BILL:	INCREASE	28	24	24	28	22	36	32	29	29	27		
	DECREASE	14	8	11	18	17	4	8	7	11	4		
	NET BALANCE	+14	+16	+13	+10	+5	+32	+24	+22	+18	+23		
MARKETING EXPENDITURE:	INCREASE	31	35	28	26	22	23	28	23	21	32		
	DECREASE	6	12	9	10	14	10	6	12	6	13		
	NET BALANCE	+25	+23	+19	+16	+8	+13	+22	+11	+15	+19		
PROFITABILITY:	INCREASE	51	35	29	32	36	58	51	45	46	46		
	DECREASE	14	28	36	35	29	10	11	10	13	15		
	NET BALANCE	+37	+7	-7	-3	+7	+48	+40	+35	+33	+31		
CAPITAL EXPENDITURE:	INCREASE	25	34	26	28	26	25	22	27	16	25		
	DECREASE	25	12	17	20	22	15	26	16	34	26		
	NET BALANCE	0	+22	+9	+8	+4	+10	-4	+11	-18	-1		

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

NOTE: Prior to August 1995, reports showed combined SA/NT data. Northern Territory is now reported separately and the above figures are for South Australia only.

Small Business Outlook - WA

- Confidence rebounded in line with a recovery in sales, employment, profit and investment growth.
- Expectations for the current quarter show stability on most key indicators.

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

SOURCE: Yellow Pages™ Small Business Index™

		<u>NOV 1994</u>	<u>FEB 1995</u>	<u>MAY 1995</u>	<u>AUG 1995</u>	<u>NOV 1995</u>					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS	POSITIVE	78	71	67	64	71					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	7	11	15	17	15					
	NET BALANCE	+71	+60	+52	+47	+56					
		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		<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>	<u>AUG-OCT</u>	<u>NOV-JAN</u>
		1994	94/95	1995	1995	1995	94/95	1995	1995	1995	95/96
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	46	48	28	30	39	58	58	34	48	44
	DECREASE	16	19	27	41	21	7	19	20	15	12
	NET BALANCE	+30	+29	+1	-11	+18	+51	+39	+14	+33	+32
SIZE OF WORKFORCE:	INCREASE	18	18	16	15	17	18	13	20	17	14
	DECREASE	11	8	18	14	7	2	5	3	5	4
	NET BALANCE	+7	+10	-2	+1	+10	+16	+8	+17	+12	+4
WAGES BILL:	INCREASE	33	31	24	32	20	28	26	29	25	15
	DECREASE	4	4	12	10	9	4	6	11	6	5
	NET BALANCE	+29	+27	+12	+22	+11	+24	+20	+18	+19	+10
MARKETING EXPENDITURE:	INCREASE	24	16	18	34	26	14	27	28	25	20
	DECREASE	13	13	9	10	7	2	4	6	15	5
	NET BALANCE	+11	+3	+9	+24	+19	+12	+23	+22	+10	+15
PROFITABILITY:	INCREASE	44	45	31	26	29	56	57	34	47	40
	DECREASE	15	21	27	39	21	7	16	20	17	10
	NET BALANCE	+29	+24	+4	-13	+8	+49	+41	+14	+30	+30
CAPITAL EXPENDITURE:	INCREASE	37	25	16	19	21	32	22	28	21	23
	DECREASE	15	23	26	25	15	23	18	17	21	20
	NET BALANCE	+22	+2	-10	-6	+6	+9	+4	+11	0	+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 - Tasmania

- Confidence among Tasmanian small businesses fell substantially for the second successive quarter.
- Sales value and profitability declined over the last quarter although capital expenditure strengthened in line with expectations.
- Expectations for the current three months (November-January) are weaker for all major indicators.

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

SOURCE: Yellow Pages™ Small Business Index™

		NOV 1994	FEB 1995	MAY 1995	AUG 1995	NOV 1995							
		%	%	%	%	%							
CONFIDENCE IN OWN BUSINESS	POSITIVE	76	66	71	55	52							
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	10	19	19	13	21							
	NET BALANCE	+66	+47	+52	+42	+31							
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>						
		AUG-OCT 1994	NOV-JAN 1994	FEB-APR 94/95	MAY-JUL 1995	AUG-OCT 1995	NOV-JAN 1994	FEB-APR 94/95	MAY-JUL 1995	AUG-OCT 1995	NOV-JAN 95/96		
		%	%	%	%	%	%	%	%	%	%		
SALES VALUE:	INCREASE	26	33	33	34	28	54	58	49	44	41		
	DECREASE	17	31	21	31	33	1	12	12	8	13		
	NET BALANCE	+9	+2	+12	+3	-5	+53	+46	+37	+36	+28		
SIZE OF WORKFORCE:	INCREASE	19	11	12	14	15	15	7	13	19	11		
	DECREASE	6	12	5	9	7	4	3	4	0	2		
	NET BALANCE	+13	-1	+7	+5	+8	+11	+4	+9	+19	+9		
WAGES BILL:	INCREASE	19	21	17	13	18	26	21	19	31	17		
	DECREASE	3	7	13	13	14	3	9	5	4	4		
	NET BALANCE	+16	+14	+4	0	+4	+23	+12	+14	+27	+13		
MARKETING EXPENDITURE:	INCREASE	33	24	29	26	24	34	23	19	30	29		
	DECREASE	7	17	22	23	14	12	10	14	13	5		
	NET BALANCE	+26	+7	+7	+3	+10	+22	+13	+5	+17	+24		
PROFITABILITY:	INCREASE	19	31	29	28	21	53	49	45	43	39		
	DECREASE	22	25	30	33	32	1	13	8	12	16		
	NET BALANCE	-3	+6	-1	-5	-11	+52	+36	+37	+31	+23		
CAPITAL EXPENDITURE:	INCREASE	27	28	19	17	23	20	16	26	26	16		
	DECREASE	22	31	28	26	15	14	37	20	15	22		
	NET BALANCE	+5	-3	-9	-9	+8	+6	-21	+6	+11	-6		

* 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 remains very high compared with other states and territories.
- Growth in employment and profitability strengthened in the past quarter.
- Expectations for employment and capital expenditure have firmed substantially.

LAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NT

SOURCE: Yellow
Pages™ Small
Business Index™

				AUG 1995	NOV 1995
				%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE			73	75
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE			6	10
	NET BALANCE			+67	+65
		EXPERIENCE FOR:		EXPECTATIONS FOR:	
		MAY-JUL	AUG-OCT	AUG-OCT	NOV-JAN
		1995	1995	1995	95/96
		%	%	%	
SALES VALUE:	INCREASE	49	51	52	53
	DECREASE	14	23	19	18
	NET BALANCE	+35	+28	+33	+35
SIZE OF WORKFORCE:	INCREASE	22	39	15	27
	DECREASE	14	6	6	8
	NET BALANCE	+8	+33	+9	+19
WAGES BILL:	INCREASE	30	26	23	39
	DECREASE	11	23	14	10
	NET BALANCE	+19	+3	+9	+29
MARKETING EXPENDITURE:	INCREASE	23	53	22	34
	DECREASE	20	8	15	18
	NET BALANCE	+3	+45	+7	+16
PROFITABILITY:	INCREASE	35	41	53	47
	DECREASE	23	25	17	16
	NET BALANCE	+12	+16	+36	+31
CAPITAL EXPENDITURE:	INCREASE	33	20	27	26
	DECREASE	23	16	35	14
	NET BALANCE	+10	+4	-8	+12

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

NOTE: Prior to August 1995, the sample size for Northern Territory was too small for separate analysis and Northern Territory data was included in South Australia results

Small Business Outlook - ACT

Note: From the November 1995 report onwards, separate analysis for the ACT is provided as part of the Small Business Index. Prior to this date, the sample size for the ACT was too small for separate analysis and ACT data was included in the NSW results.

- Confidence is below the national average.
- Activity levels in the past quarter were subdued with the number of businesses reporting decreased sales and employment outnumbering those reporting increases. On a more positive note marketing and capital expenditure levels showed a net increase as did profit levels.
- Expectations for the current quarter reveal robust sales activity and increased profit, employment and marketing expenditure, though a decline in capital expenditure.

LAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - ACT			<u>SOURCE: Yellow Pages™ Small Business Index™</u>
			NOV 1995
			%
CONFIDENCE IN OWN BUSINESS	POSITIVE		59
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE		24
	NET BALANCE		+35
		EXPERIENCE FOR:	EXPECTATIONS FOR:
		AUG-OCT	NOV-JAN
		1995	95/96
		%	%
SALES VALUE:	INCREASE	29	46
	DECREASE	30	14
	NET BALANCE	-1	+32
SIZE OF WORKFORCE:	INCREASE	10	11
	DECREASE	12	2
	NET BALANCE	-2	+9
WAGES BILL:	INCREASE	23	32
	DECREASE	14	3
	NET BALANCE	+9	+29
MARKETING EXPENDITURE:	INCREASE	27	23
	DECREASE	17	14
	NET BALANCE	+10	+9
PROFITABILITY:	INCREASE	35	44
	DECREASE	31	19
	NET BALANCE	+4	+25
CAPITAL EXPENDITURE:	INCREASE	32	20
	DECREASE	20	31
	NET BALANCE	+12	-11

* 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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For further information on these reports please contact: Lisa Paykel
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