MYOB Australian Small Business Survey

August 2007

Small Business Survey Report

Prepared for MYOB Australia

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About the Study

This report presents summary findings for key indicators from the MYOB Australian Small Business Survey comprising a national sample of 2,352 small business proprietors and general managers, conducted between June and July 2007. The small businesses participating in the survey are defined as both non-employing and employing businesses with less than 20 employees. Results have been weighted to reflect the small business population distribution according to the Australian Bureau of Statistics (ABS) for company size, length of time operating, region and selected ANZSIC Industry divisions (refer to ABS publications *Characteristics of Small Business*, 8127.0, 2001 and *Small Business in Australia*, 1321, 2001).

The key indicators presented in this report include:

Small Business Issues:

- Perceptions of current business performance
- Confidence in future business prospects
- Expectations for future business performance and factors underpinning the expectation
- Outlook for specific business issues such as sales, cash flow, business costs and other issues
- Outlook for business revenue
- Likelihood to invest in own business within the next 6 months, and the likely source of funding
- Expectation of employing or reducing staff in the next 12 months
- Ways of finding employees
- Composition of small businesses' workforce
- Small businesses' main customers
- Distribution of business expenses

Government Issues:

- Awareness of the new Industrial Relations/ Work Choices policy
- Impact of the Work Choices policy on hiring of employees
- Fairness of the Work Choices policy to business owners who employ staff
- Perceptions of the Australian future economy
- Perceptions of the Federal and State Government performance in contributing to small business development in Australia
- Small businesses' preferred Prime Minister and the representative of the House

The findings of the research are reported by industry type:

Industry	Sample
Agriculture	120
Manufacturing	162
Construction	254
Wholesale Trade	98
Retail Trade	369
Accommodation, Café and Restaurants	78
Transport and Storage	93
Communication, Media and Marketing Services	143
Finance and Insurance	167
Property and Business Services	256
Education	81
Health and Community Services	170
Cultural and Recreational Services	52
Personal and Other Services	243
Information & Communications Technology	49*
Tourism	17*
Total	**2352**

Note:
* Information & Communications Technology and Tourism are included in the total statistics reported but are not reported at an industry level due to a very low sample size.

The findings are also reported by state for some questions:

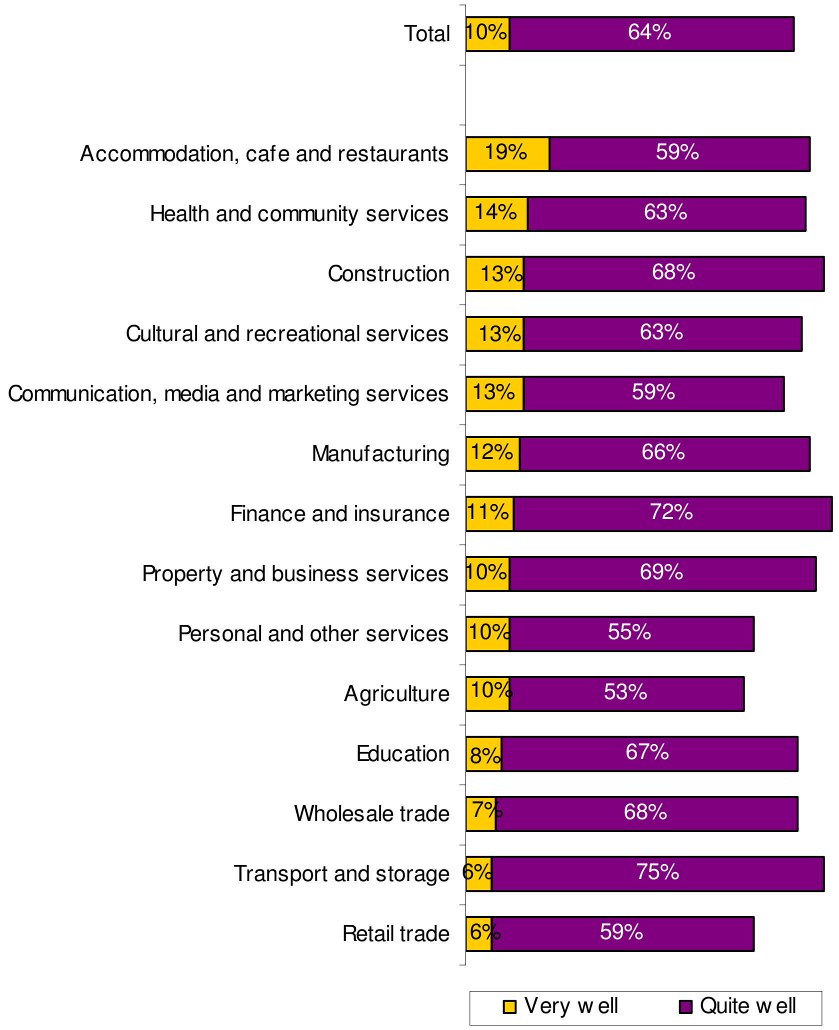
State	Sample
NSW	681
VIC	587
QLD	552
SA	182
WA	219
TAS	69
NT	24*
ACT	38*
Total	**2352**

Note:
*Sample sizes for NT and ACT are too small for reliable statistics at a State level, but are included in the total figures.

Perception of Own Business (Current)

Around three in four small businesses believe they are performing well

Figure 1: Perception of own business performance (%)



Combined Very/Quite Well

	Jul 07	Apr 07	Jan 07
Total	**74%**	76%	80%
Accommodation, cafe and restaurants	**78%**	77%	85%
Health and community services	**77%**	85%	80%
Construction	**81%**	76%	89%
Cultural and recreational services	**76%**	74%	77%
Communication, media and marketing services	**72%**	81%	76%
Manufacturing	**78%**	75%	80%
Finance and insurance	**83%**	82%	86%
Property and business services	**79%**	84%	85%
Personal and other services	**65%**	81%	82%
Agriculture	**63%**	70%	69%
Education	**75%**	85%	90%
Wholesale trade	**75%**	69%	68%
Transport and storage	**81%**	79%	76%
Retail trade	**65%**	65%	77%

Base: Online small businesses
Q: Thinking about the current performance of your own business, do you think your business is performing…?
(very well, quite well, not very well, not at all well, don't know)

AMR Interactive, July 2007 (n=2352)

Around three quarters (74%) of small businesses rated their current business performance positively (ie: "very well" and "quite well" combined), indicating a gradual decrease since the beginning of this year (80% in January, 76% in April and 74% in July 2007).

By Industry, small businesses from the Finance and Insurance sector (83%) were most likely to perceive their current business to be performing very/quite well, while those from the Agriculture sector (63%) were least likely.

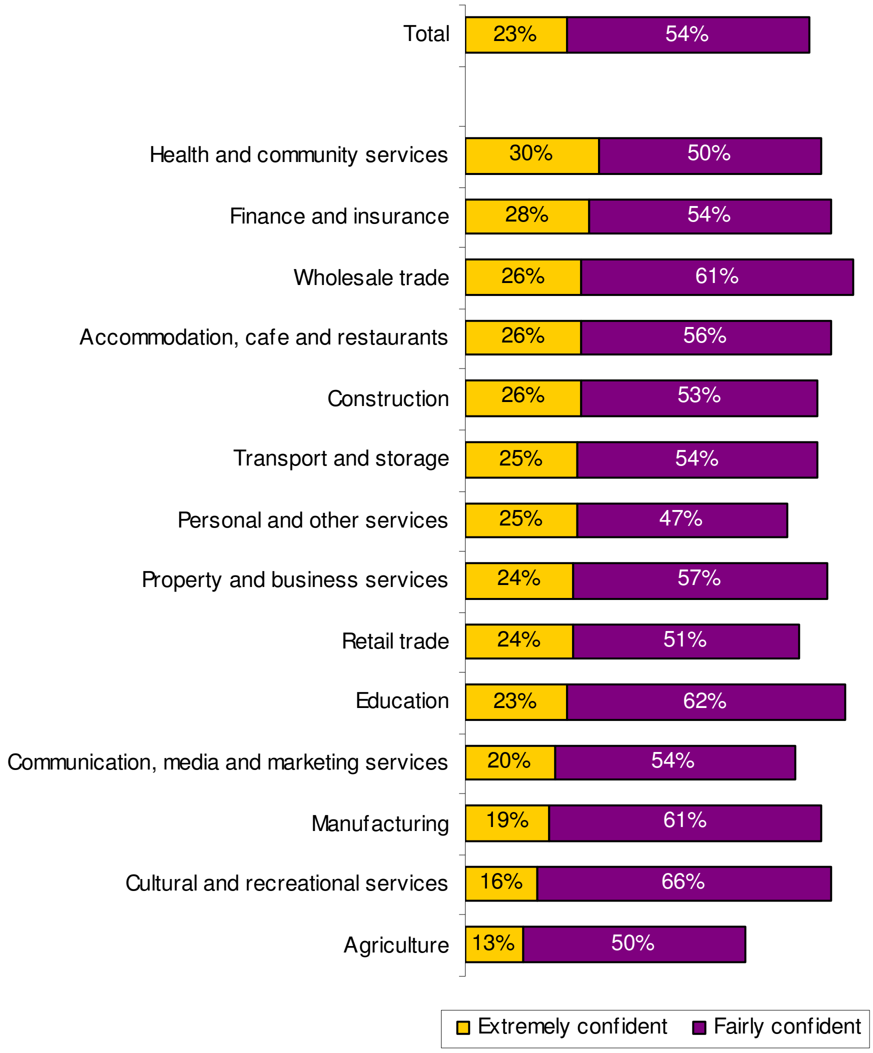
Amongst all industries, the Personal and Other Services sector has seen the largest decrease in the proportion of small businesses that had a positive perception of their business since January 2007 (82%, down 17% to 65% in July).

The Education sector has also seen a continuous decrease in the proportion of small businesses that rated their performance positively (75% in July, a drop of 15% from 90% in January), followed by the Retail Trade sector (65% in July, a decrease of 12% from 77% in January).

Confidence in Future Business Prospects

Over three quarters of small businesses are confident about their prospects

Figure 2: Confidence in business prospects over the next 12 months (%)



	Combined Extremely/Fairly confident		
	Jul 07	Apr 07	Jan 07
Total	**77%**	76%	76%
Health and community services	**80%**	81%	79%
Finance and insurance	**82%**	81%	86%
Wholesale trade	**87%**	77%	74%
Accommodation, cafe and restaurants	**82%**	82%	84%
Construction	**79%**	79%	81%
Transport and storage	**79%**	82%	71%
Personal and other services	**72%**	78%	79%
Property and business services	**81%**	86%	86%
Retail trade	**75%**	64%	74%
Education	**85%**	77%	87%
Communication, media and marketing services	**74%**	78%	74%
Manufacturing	**80%**	79%	77%
Cultural and recreational services	**82%**	75%	79%
Agriculture	**63%**	59%	54%

Base: Online small businesses
Q: Thinking about the next twelve months, how confident do you feel about the prospects for your own business?

AMR Interactive, July 2007 (n=2352)

Over three quarters of small businesses (77%) were confident about their business prospects over the next 12 months, with around a quarter (23%) expressing that they were extremely confident. This reflects a consistent trend from previous quarters (76% in January and April 2007).

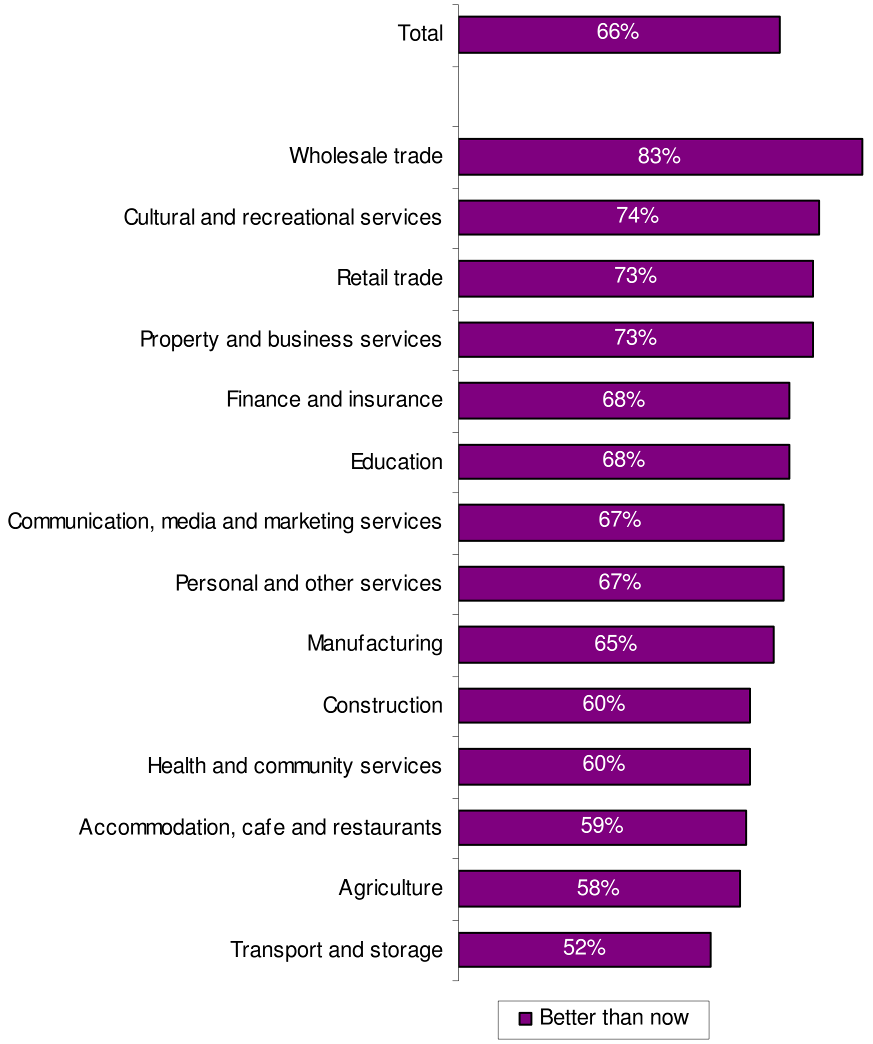
By Industry, the Wholesale Trade sector (87%) was most likely to express confidence in their business prospects. This sector has seen a large increase in the proportion of small businesses with confidence in their business future since January 2007 (74%, up 13% to 87% in July).

Consistent with previous quarters, small businesses from the Agriculture sector were least confident about their business prospects (63%, a steady increase of 9% from 54% in January).

Perception of Own Business (Future)

Two thirds of small businesses forecast better performance

Figure 3: Performance outlook for own business over the next 12 months (%)



	Better Than Now		
	Jul 07	**Apr 07**	**Jan 07**
Total	**66%**	64%	66%
Wholesale trade	**83%**	75%	73%
Cultural and recreational services	**74%**	69%	73%
Retail trade	**73%**	66%	73%
Property and business services	**73%**	62%	75%
Finance and insurance	**68%**	68%	78%
Education	**68%**	72%	58%
Communication, media and marketing services	**67%**	68%	68%
Personal and other services	**67%**	66%	59%
Manufacturing	**65%**	65%	70%
Construction	**60%**	55%	60%
Health and community services	**60%**	67%	66%
Accommodation, cafe and restaurants	**59%**	74%	66%
Agriculture	**58%**	60%	50%
Transport and storage	**52%**	66%	65%

Base: Online small businesses
Q: Now thinking about the performance outlook for your own business over the next 12 months, do you think your business will perform…better than now, worse than now, no change, don't know?

AMR Interactive, July 2007 (n=2352)

Overall, two thirds (66%) of small businesses expected their business performance to be better in 12 months time than it is now, indicating a stable trend since January 2007.

By Industry, small businesses from the Wholesale Trade (83%) sector were most likely to forecast better performance of their business over the next 12 months. This sector has seen a continuous increase in the proportion of small businesses who were optimistic about their future performance since the start of this year (73% in January, 75% in April and 83% in July).

The Transport and Storage industry was least likely to expect their business to perform better in the future (52% in July, a decrease of 14% from 66% in April 2007).

Factors Underpinning Expectations for Business Performance

Consumer/end user trends and petrol prices the main factors

Table 1: Factors underpinning small businesses' expectations for future business performance (%)

Factor	Expectation for Future Business Performance Better than now (n=1571)	Worse than now (n=83)	No Change (n=587)
Current tax levels	8%	21%	25%
Future proposed tax changes - going up	2%	8%	9%
Future proposed tax changes - going down	9%	0%	2%
Petrol prices too high	9%	57%	43%
Petrol prices forecast reduction	6%	4%	2%
Employment market favourable for employers	9%	12%	4%
Lack of available trained workers to draw on	8%	23%	14%
Increase in Government investment in my industry	5%	6%	2%
Decrease in Government investment in my industry	1%	10%	5%
Increase in competitive activity	21%	37%	32%
Decrease in competitive activity	13%	7%	2%
Organic growth of my industry is increasing	36%	1%	10%
Decline in growth rate of my industry	2%	36%	16%
Consumer/end user trends changing favourably	53%	5%	11%
Consumer/end user trends changing unfavourably	3%	32%	17%
Other	12%	25%	12%

Base: Online small businesses who expect their business to be "better than now", "worse than now" or "have no change"
Q: You mentioned that you expect your business to… "be better than now", "be worse than now" OR "have no change" over the next 12 months, what are the factors underpinning your expectation? (Multiple choices)

AMR Interactive, July 2007 (n=2241)

The top three reasons for small businesses to believe that their business would perform ***better*** over the next 12 months were: "consumer/end user trends changing favourably" (53%), "organic growth of my industry is increasing" (36%) and "increase in competitive activity" (21%).

On the other hand, the main factors underpinning small businesses' expectation of ***worse*** business performance in 12-months time were: "petrol prices too high" (57%), "increase in competitive activity" (37%), "decline in growth rate of my industry" (36%), and "consumer/end user trends changing unfavourably" (32%).

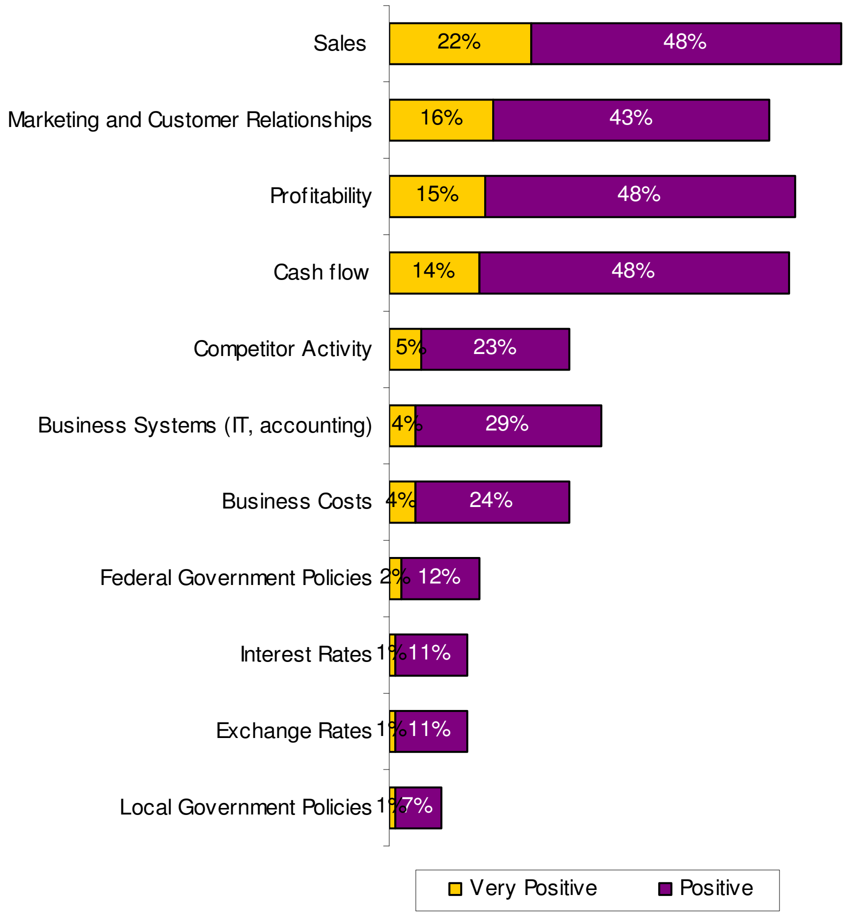
A quarter (25%) of small businesses expecting worse future performance provided "other" reasons, for example "weather impact" (15%).

These results are consistent with the results from the previous quarters (refer to the *MYOB Small Business Survey Indicator Report* in January and April 2007).

Outlook for Specific Business Issues (Positive)

Small businesses are most optimistic about sales

Figure 4: Small businesses with positive outlook on specific issues (%)



	Combined Very Positive/Positive		
	Jul 07	**Apr 07**	**Jan 07**
Sales	**70%**	72%	72%
Marketing and Customer Relationships	**59%**	57%	66%
Profitability	**63%**	63%	63%
Cash flow	**62%**	61%	62%
Competitor Activity	**28%**	24%	24%
Business Systems (IT, accounting)	**33%**	33%	38%
Business Costs	**28%**	28%	31%
Federal Government Policies	**14%**	11%	12%
Interest Rates	**12%**	11%	12%
Exchange Rates	**12%**	8%	11%
Local Government Policies	**8%**	8%	8%

Base: Online Small Businesses
Q: Listed below are a number of issues that your business will deal with over the next 12 months. Thinking only about your own business, please indicate your outlook for each of these issues where 1 is a very negative outlook, 2 is a somewhat negative outlook, 3 is neutral, 4 is a somewhat positive outlook and 5 is a very positive outlook? (If this is not applicable to your business, select 6)

AMR Interactive, July 2007 (n=2352)

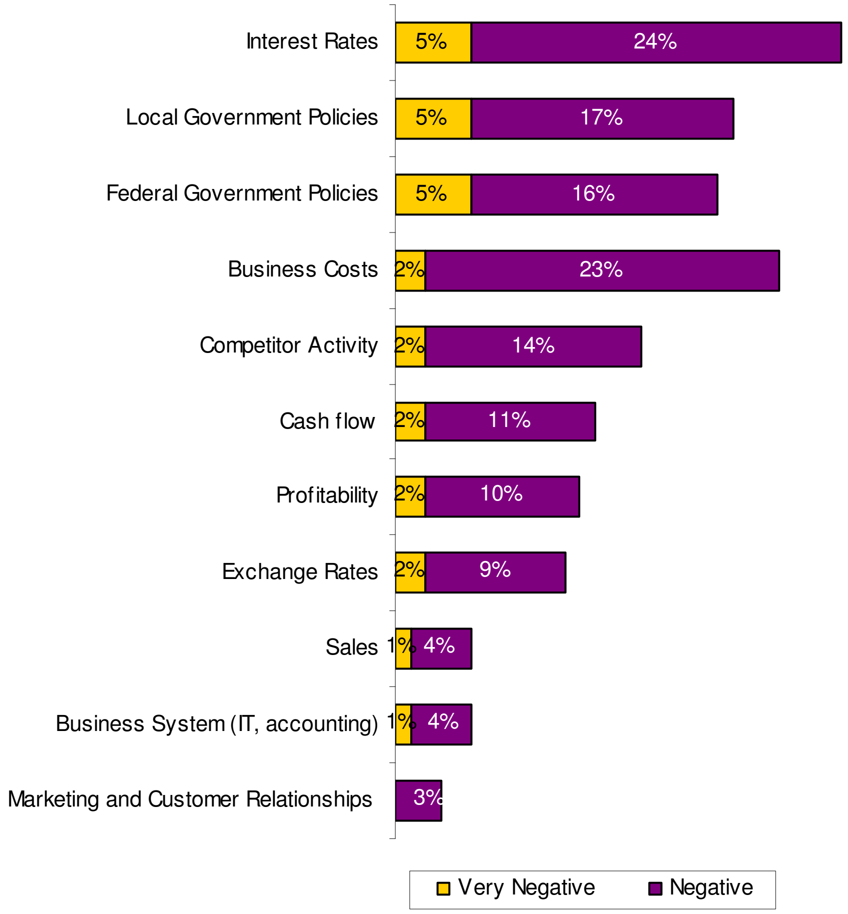
Small businesses were asked to rate their outlook for specific business issues (eg: sales, cash flow, business costs, etc) over the next 12 months. No significant changes have been indicated since the previous quarters (January and April 2007).

Sales (70%) outlook continues to be rated most positively by small businesses, followed by profitability (63%) and cash flow (62%).

Outlook for Specific Business Issues (Negative)

Interest Rates continue to be main concern for small businesses

Figure 5: Small businesses with negative outlook on specific issues (%)



	Combined Very Negative/Negative		
	Jul 07	Apr 07	Jan 07
Interest Rates	**29%**	31%	36%
Local Government Policies	**22%**	23%	21%
Federal Government Policies	**21%**	20%	20%
Business Costs	**25%**	25%	27%
Competitor Activity	**16%**	17%	18%
Cash flow	**13%**	13%	11%
Profitability	**12%**	13%	12%
Exchange Rates	**11%**	10%	9%
Sales	**5%**	7%	6%
Business System (IT, accounting)	**5%**	4%	3%
Marketing and Customer Relationships	**3%**	2%	2%

Base: Online Small Businesses
Q: Listed below are a number of issues that your business will deal with over the next 12 months. Thinking only about your own business, please indicate your outlook for each of these issues where 1 is a very negative outlook, 2 is a somewhat negative outlook, 3 is neutral, 4 is a somewhat positive outlook and 5 is a very positive outlook? (If this is not applicable to your business select 6)

AMR Interactive, July 2007 (n=2352)

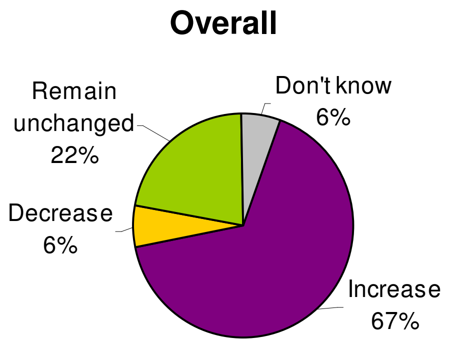
As with the previous quarters (36% in January and 31% in April 2007), Interest Rates (29%) were the main concern for small businesses.

Around one in five small businesses indicated a negative outlook for Government policies over the next 12 months (22% for Local Government Policies and 21% for Federal Government Policies), which reflects a consistent trend over the last two quarters.

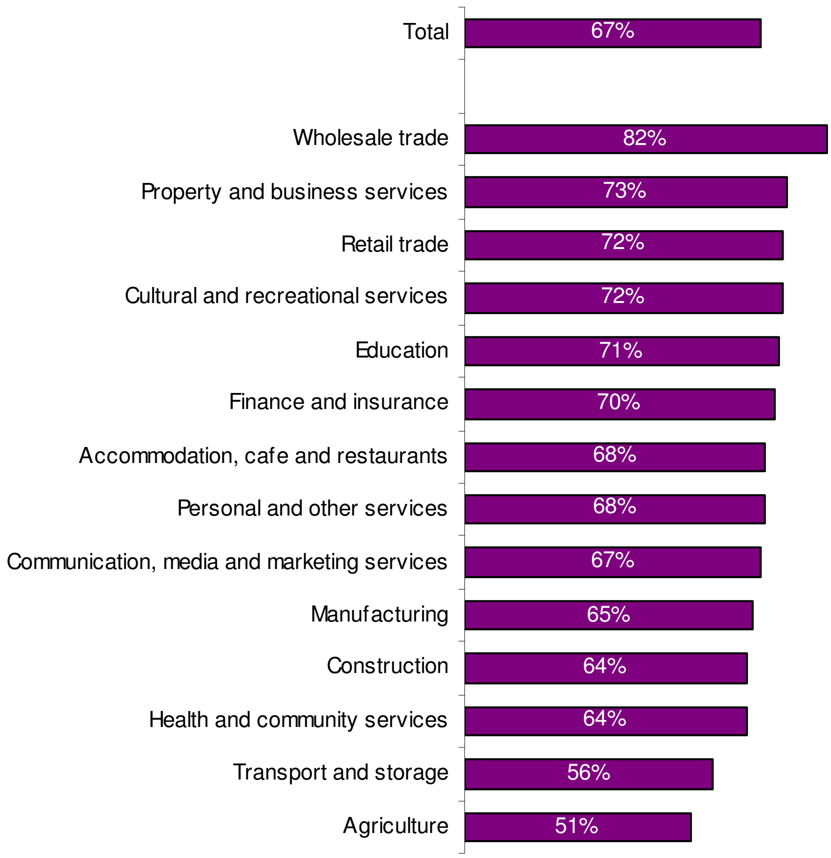
Outlook for Business Revenue

Two thirds of small businesses expect their revenue to increase

Figure 6: Outlook for own business revenue in the next 12 months (%)



Breakdown by Industry
(% of respondents saying "Increase")



	Jul 07	Apr 07
Total	**67%**	64%
Wholesale trade	**82%**	74%
Property and business services	**73%**	65%
Retail trade	**72%**	67%
Cultural and recreational services	**72%**	72%
Education	**71%**	64%
Finance and insurance	**70%**	77%
Accommodation, cafe and restaurants	**68%**	79%
Personal and other services	**68%**	68%
Communication, media and marketing services	**67%**	68%
Manufacturing	**65%**	63%
Construction	**64%**	59%
Health and community services	**64%**	69%
Transport and storage	**56%**	57%
Agriculture	**51%**	54%

Base: Online small businesses
Q: Do you expect your business revenue to increase, decrease or remain unchanged in the next 12 months?

AMR Interactive, July 2007 (n=2352)

Overall, two in three (67%) small businesses expected their business revenue to increase over the next 12 months, which is consistent with the previous quarter (64% in April 2007).

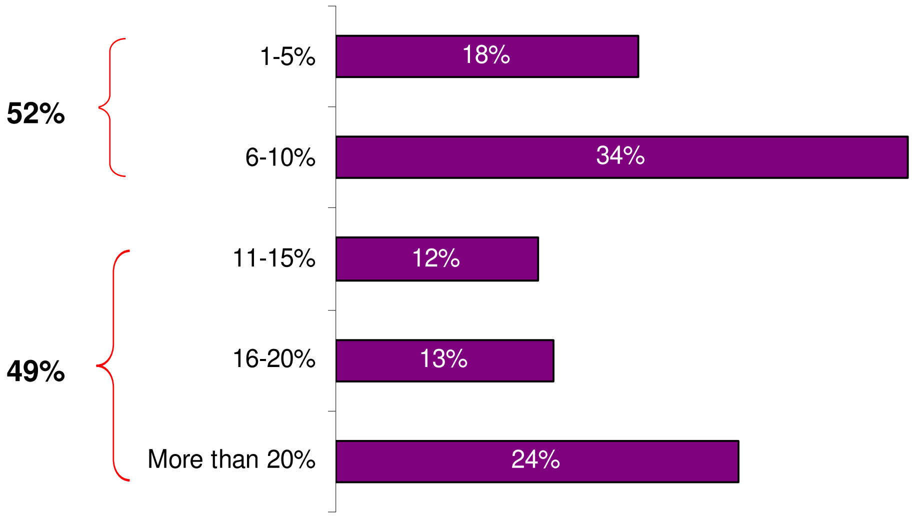
By Industry, small businesses from the Wholesale Trade sector were most likely to forecast an increase in their business revenue (82%, an increase of 8% from 74% in April 2007), while those from the Agriculture sector (51%) were least likely.

The Accommodation, Café and Restaurants industry has seen a large decrease in the proportion of small businesses that expected their revenue to increase since the last quarter (79% in April, down 11% to 68% in July 2007).

Expectations for Increases in Business Revenue

Around half of small businesses expect their revenue to increase by more than 10%

Figure 7: Percentage of increases in own business revenue in the next 12 months (%)



	Expect Revenue to Increase	
	Jul 07	Apr 07
1-5%	**18%**	19%
6-10%	**34%**	32%
11-15%	**12%**	15%
16-20%	**13%**	12%
More than 20%	**24%**	22%

Base: Online small businesses that expect their revenue to increase in the next 12 months
Q: How much do you expect your revenue to increase in the next 12 months?

AMR Interactive, July 2007 (n=1594)

Of the small businesses that forecast an increase in their business revenue over the next 12 months, around half (49%) expected the increase to be more than 10% (ie: “11-15%” and “16-20%” and “more than 20%”).

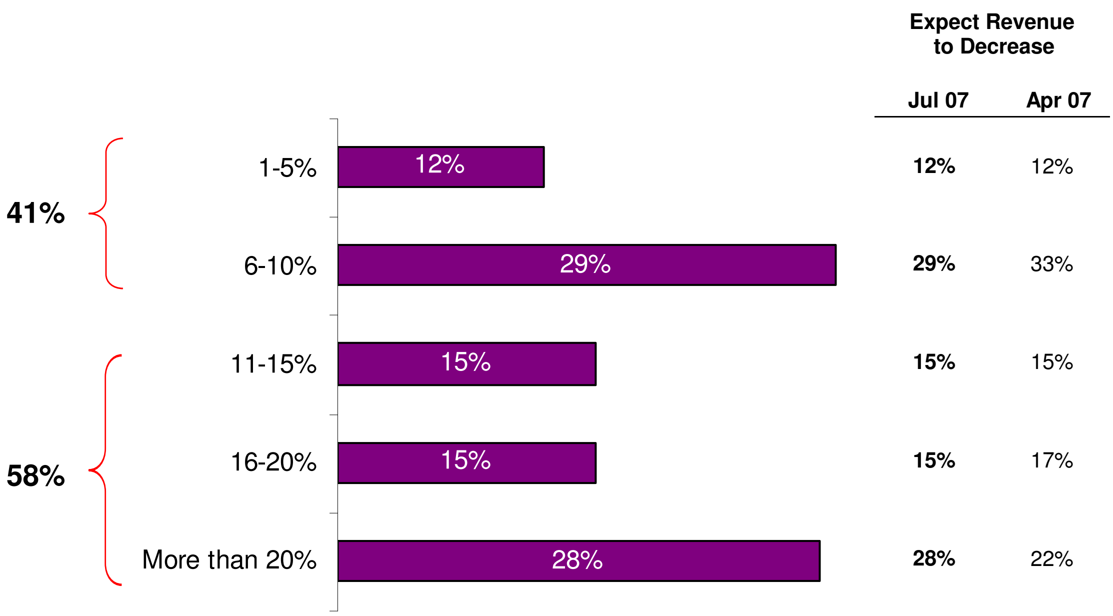
Around a quarter (24%) of small businesses that expected their revenue to increase believed the increase would be more than 20%.

These results are not significantly different from the results from last quarter (April 2007).

Expectations for Decreases in Business Revenue

Few businesses expect their revenue to decrease largely

Figure 8: Percentage of decreases in own business revenue in the next 12 months (%)



Base: Online small businesses that expect their revenue to decrease in the next 12 months
Q: How much do you expect your revenue to decrease in the next 12 months?

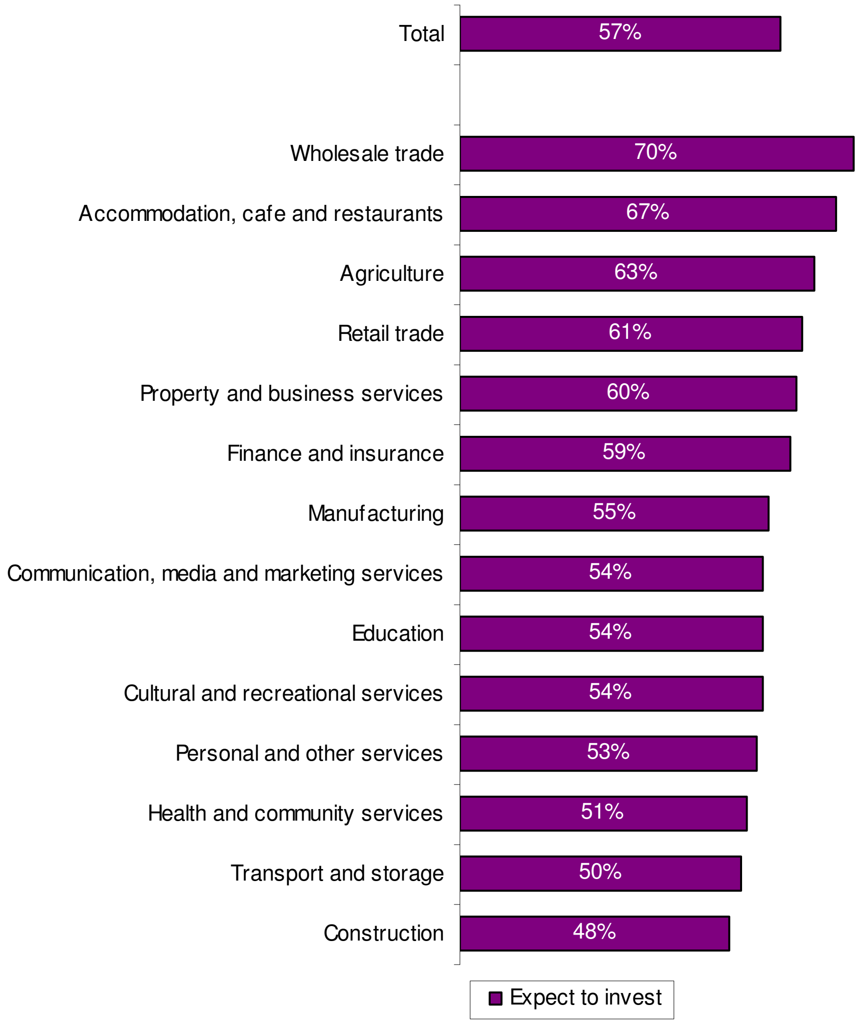
AMR Interactive, July 2007 (n=135)

As with the previous quarter, very few small businesses reported that they forecast a decrease in their business revenue over the next 12 months (6% of total, refer to Fig. 6). Of these businesses, over half (58%) expected the decrease to be more than 10%.

Expectation of Investing in Own Business

Over half of small businesses expect to invest in their own business

Figure 9: Expectation of investing in own business in the next 6 months (%)



Expect to Invest

	Jul 07	Apr 07	Jan 07
Total	**57%**	55%	60%
Wholesale trade	**70%**	69%	64%
Accommodation, cafe and restaurants	**67%**	67%	64%
Agriculture	**63%**	56%	55%
Retail trade	**61%**	59%	69%
Property and business services	**60%**	52%	62%
Finance and insurance	**59%**	59%	53%
Manufacturing	**55%**	54%	52%
Communication, media and marketing services	**54%**	57%	70%
Education	**54%**	40%	56%
Cultural and recreational services	**54%**	65%	50%
Personal and other services	**53%**	52%	57%
Health and community services	**51%**	51%	51%
Transport and storage	**50%**	53%	59%
Construction	**48%**	50%	58%

Base: Online small businesses
Q: Do you expect to invest in your business in the next 6 months? (Yes/No)

AMR Interactive, July 2007 (n=2352)

Overall, more than half (57%) of small businesses expected to invest in their own business within the next six months. This has been relatively stable over the last two quarters (60% in January and 55% in April 2007).

By industry, small businesses from the Wholesale Trade sector (70%) were most likely to invest in their business, while those from the Construction sector were least likely (48%, a decrease of 10% from 58% in January 2007).

The Communication, Media and Marketing Services industry has seen a large decrease in the proportion of small businesses expecting to invest since January 2007 (70%, down 16% to 54% in July).

Source of Funding for Investment in Own Businesses

Over half of small businesses will fund investment completely from their own resources

Table 2: Source of funding for investment in small business (%)

	Fund all of it from own resources			Borrow the entire amount			Combination of self funding and borrowings		
	Jul 07	**Apr 07**	**Jan 07**	**Jul 07**	**Apr 07**	**Jan 07**	**Jul 07**	**Apr 07**	**Jan 07**
Total	**55%**	57%	52%	**5%**	6%	4%	**35%**	33%	40%
Agriculture	**45%**	48%	38%	**6%**	6%	1%	**47%**	37%	60%
Manufacturing	**42%**	49%	41%	**10%**	7%	10%	**41%**	44%	47%
Construction	**56%**	62%	47%	**5%**	7%	3%	**37%**	30%	43%
Wholesale trade	**52%**	41%	53%	**5%**	6%	1%	**42%**	47%	46%
Retail trade	**67%**	55%	60%	**7%**	6%	2%	**24%**	36%	37%
Accommodation, café and restaurants	**45%**	34%	42%	**12%**	12%	15%	**35%**	44%	43%
Transport and storage	**38%**	52%	34%	**10%**	17%	13%	**52%**	25%	41%
Communication, media and marketing services	**59%**	68%	69%	**7%**	0%	4%	**28%**	24%	24%
Finance and insurance	**63%**	52%	55%	**5%**	12%	6%	**28%**	33%	38%
Property and business services	**52%**	63%	57%	**3%**	1%	2%	**39%**	34%	39%
Education	**62%**	79%	69%	**3%**	2%	3%	**28%**	12%	26%
Health and community services	**48%**	50%	55%	**7%**	4%	6%	**35%**	38%	36%
Cultural and recreational services	**77%**	61%	76%	**0%**	4%	0%	**18%**	30%	24%
Personal and other services	**64%**	63%	61%	**4%**	7%	5%	**21%**	23%	28%

Base: Online small businesses that expect to invest in their business in the next 6 months
Note: "Don't know" responses are not shown in the table.
Q: And in funding this investment, are you likely to use your own cash resources, raise it through borrowings or both?

AMR Interactive, July 2007 (n=1339)

Continuing the trend from the previous quarters, over half (55%) of small businesses were likely to completely self-fund future investment in their business, while very few businesses (5%) were likely to borrow the entire amount.

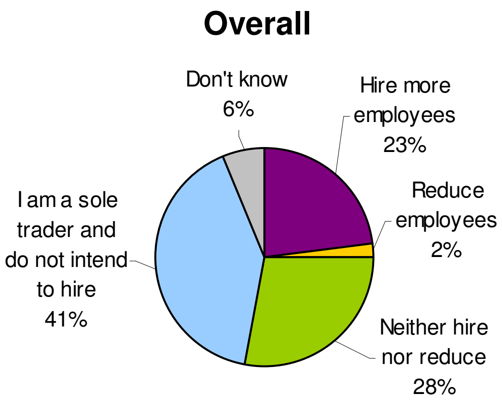
By Industry, the Cultural and Recreational Services sector was most likely to fund investment completely from their own resources (77%, up 16% from 61% in April 2007).

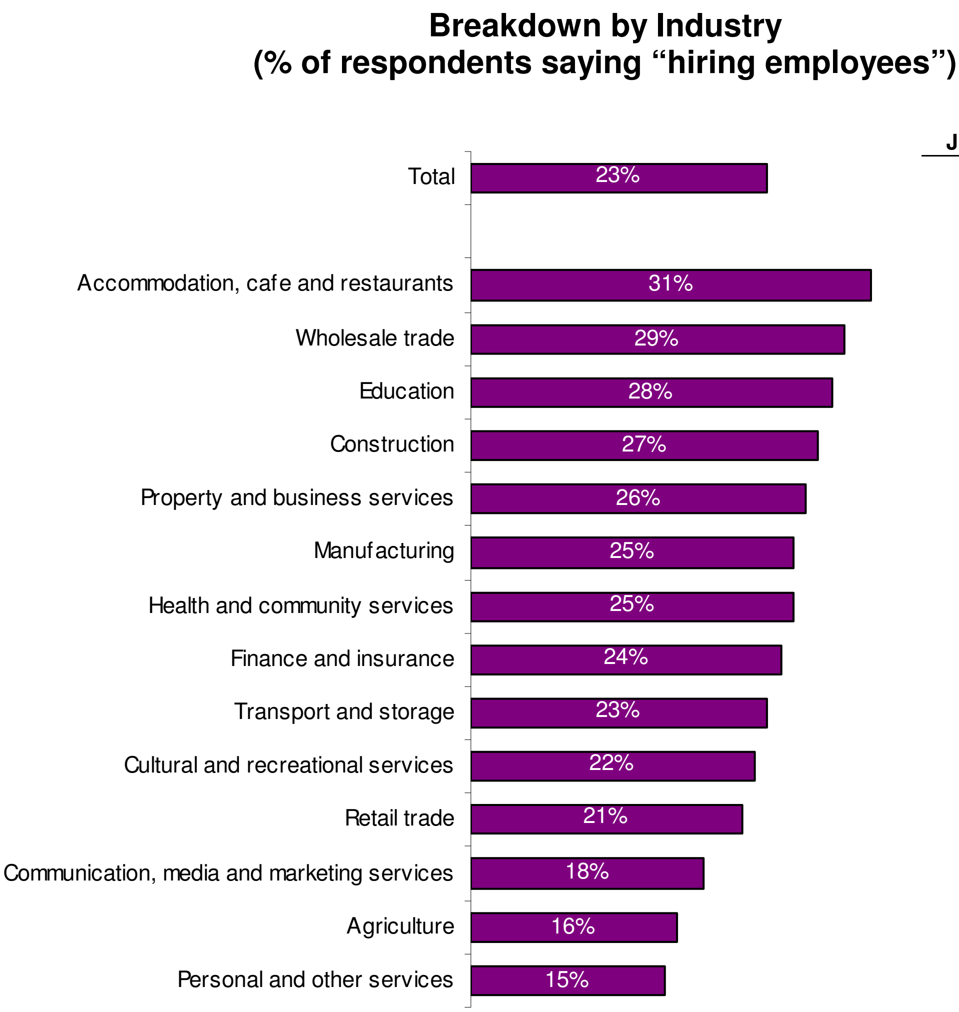
Conversely, small businesses from the Accommodation, Café and Restaurants industry (12%) were most likely to borrow the entire amount to invest in their own business.

Intention of Employing or Reducing Staff

Around a quarter of small businesses intend to hire

Figure 10: Expectation of hiring or reducing employees within the next 12 months (%)





	Jul 07	Apr 07
Total	**23%**	24%
Accommodation, cafe and restaurants	**31%**	44%
Wholesale trade	**29%**	21%
Education	**28%**	21%
Construction	**27%**	30%
Property and business services	**26%**	19%
Manufacturing	**25%**	32%
Health and community services	**25%**	23%
Finance and insurance	**24%**	29%
Transport and storage	**23%**	27%
Cultural and recreational services	**22%**	22%
Retail trade	**21%**	23%
Communication, media and marketing services	**18%**	20%
Agriculture	**16%**	13%
Personal and other services	**15%**	17%

Base: Online small businesses
Q: Do you intend to hire or reduce employees within the next 12 months?

AMR Interactive, July 2007 (n=2352)

Overall, around a quarter (23%) of small businesses indicated an intention to employ more staff members within the next 12 months, which is consistent with the result from the last quarter (24% in April 2007).

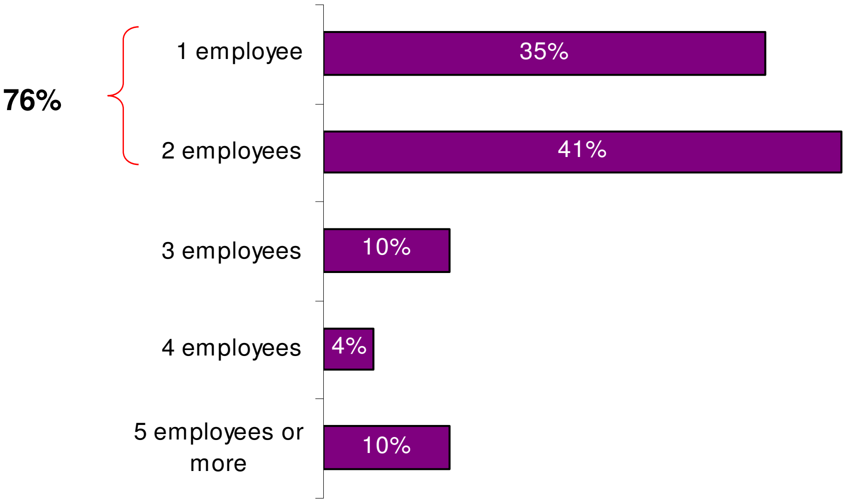
By Industry, the Accommodation, Café and Restaurants sector was most likely to employ staff (31%, a decrease of 13% from 44% in April 2007), while the Personal and Other Services sector (15%) was least likely.

In general, very few (2%) small businesses intended to reduce staff numbers in the next 12 months.

Expectations for Employment

Small businesses intend to hire few employees

Figure 11: Number of employees intended to hire over the next 12 months (%)



	Expect to Employ Jul 07	Apr 07
1 employee	**35%**	42%
2 employees	**41%**	34%
3 employees	**10%**	11%
4 employees	**4%**	4%
5 employees or more	**10%**	9%

Base: Online small businesses that expect to hire more employees in the next 12 months
Q: How many employees do you intend to hire in the next 12 months?

AMR Interactive, July 2007 (n=585)

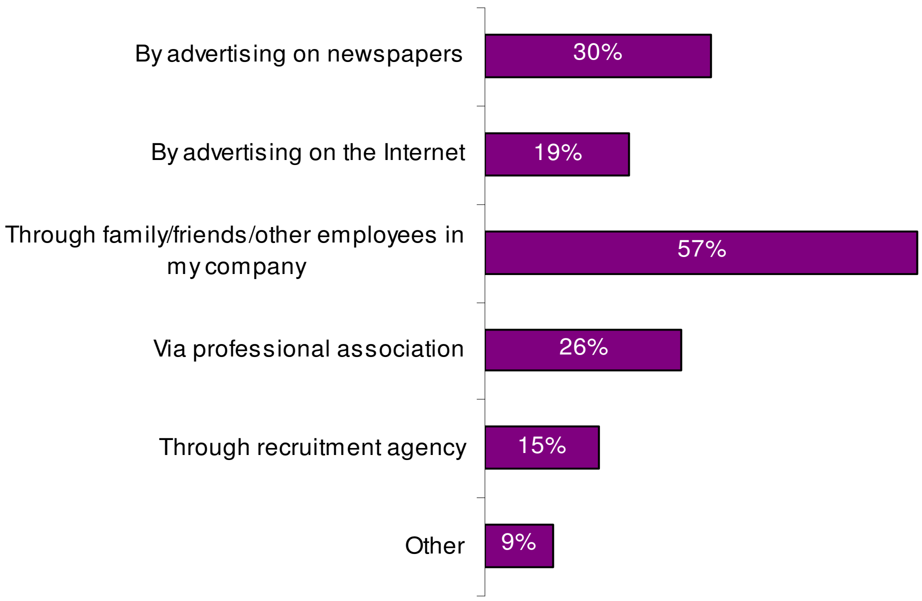
Of the small businesses that expect to employ within the next 12 months, around three quarters (76%) intended to employ one or two employees.

Very few (10%) small businesses intended to hire 5 or more staff members in the next 12 months.

Preferred Method of Recruitment

Over half of small businesses recruit via family/friends/other employees

Figure 12: Method of seeking employees (%)



Recruitment Method

Jul 07	Apr 07
30%	30%
19%	19%
57%	57%
26%	27%
15%	16%
9%	9%

Base: Online small businesses that have one or more employees
Q: How do you find your employees? (Multiple responses)

AMR Interactive, July 2007 (n=1496)

More than half (57%) of small businesses were likely to recruit through family, friends or other employees in their company.

Advertising in newspapers (30%) and through professional associations (26%) were other common ways of seeking employees by small businesses.

These results are not different from the results from last quarter (April 2007).

Type of Employees

Small business workforces consist mainly of full-time permanent employees

Table 3: Type of employees of small businesses (%)

	Percentage of employees							
	0%		1%-33%	34%-66%	67%-99%	100%	Total 1%-100%	
Type of employees	**Jul 07**	**Apr 07**	**Jul 07**	**Jul 07**	**Jul 07**	**Jul 07**	**Jul 07**	**Apr 07**
Full-time permanent	**30%**	30%	6%	14%	16%	30%	**66%**	66%
Part-time permanent	**70%**	71%	15%	6%	1%	5%	**27%**	24%
Contract	**77%**	78%	8%	3%	3%	7%	**21%**	21%
Casual	**69%**	68%	13%	6%	3%	8%	**30%**	28%
Other	**93%**	92%	0%	0%	0%	6%	**6%**	8%

Base: Online small businesses that have one or more employees
Q: What percentage of your employees is…full-time permanent, part-time permanent, contract, casual?

AMR Interactive, July 2007 (n=1496)

The workforce of small businesses is mainly composed of full-time permanent employees, with two-thirds (66%) of businesses with employees indicating that they had one or more full-time permanent employees in their company.

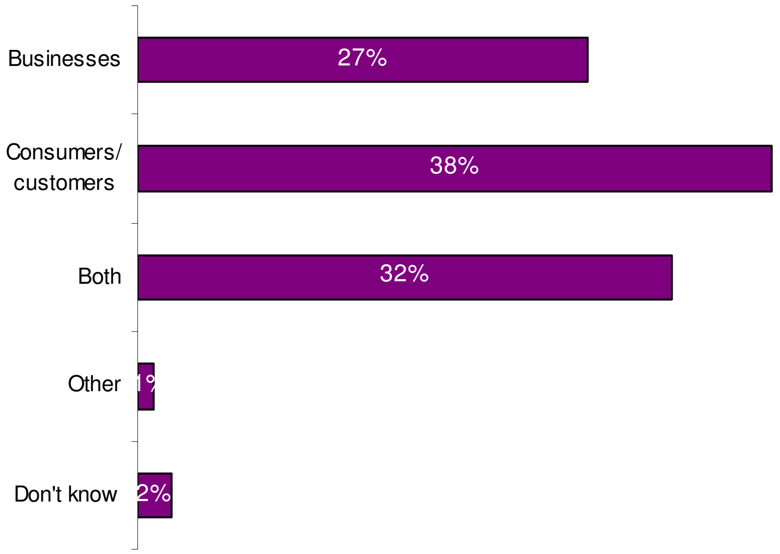
Three in ten (30%) small businesses reported that all their employees were full-time permanent (ie: 100% of employees being full-time permanent).

These results are consistent with those from last quarter (April 2007).

Main Customer

Small businesses sell primarily to consumers/customers

Figure 13: Type of customers of small businesses (%)



	Main Customer Jul 07	Main Customer Apr 07
Businesses	**27%**	34%
Consumers/ customers	**38%**	28%
Both	**32%**	35%
Other	**1%**	2%
Don't know	**2%**	1%

Base: Online Small Businesses
Q: Does your business sell products or services primarily to other businesses or consumers/customers?

AMR Interactive, July 2007 (n=2352)

Around two in five (38%) small businesses sold products or services primarily to consumers/customers. This has increased by 10% from 28% in April 2007.

Over a quarter (27%) of small businesses reported that their main customers were other businesses.

Distribution of Business Expenses

Small businesses spend most on salary/wages

Table 4: Distribution of overall expenses on different areas (%)

	Percentage of expenses									
	0%		1%-10%	11%-20%	21%-30%	31%-50%	51%-100%	Total 1%-100%	
Area of expenses	**Jul 07**	**Apr 07**	**Jul 07**	**Jul 07**	**Jul 07**	**Jul 07**	**Jul 07**	**Jul 07**	**Apr 07**
Rent & property costs	**27%**	29%	48%	13%	4%	4%	0%	**69%**	68%
Salary/wages	**19%**	18%	12%	14%	12%	20%	16%	**74%**	71%
IT - software & hardware	**14%**	12%	73%	8%	2%	1%	0%	**84%**	84%
Plant equipment, furniture, materials and inventory costs	**12%**	13%	42%	13%	10%	13%	6%	**84%**	81%
Marketing, advertising & sales	**30%**	29%	55%	9%	3%	2%	0%	**69%**	68%
Energy use - electricity, gas, water, oil/petrol	**9%**	9%	64%	14%	4%	3%	0%	**85%**	87%
Research & Development costs	**59%**	59%	37%	2%	0%	0%	0%	**39%**	40%
Administrative costs - human resource management, accounting, finance	**15%**	13%	65%	11%	2%	0%	0%	**78%**	81%
Other	**79%**	75%	10%	2%	2%	1%	2%	**17%**	21%

Base: Online Small Businesses
Q What percentage of your overall expenses does each of the following areas account for?

AMR Interactive, July 2007 (n=2352)

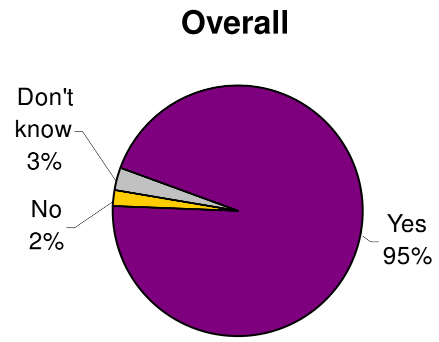
Salary/wages comprise the highest proportion of business expenses for small businesses, accounting for more than 30% (ie: “31%-50%” and “51%-100%”) of overall expenses for 36% of the respondents.

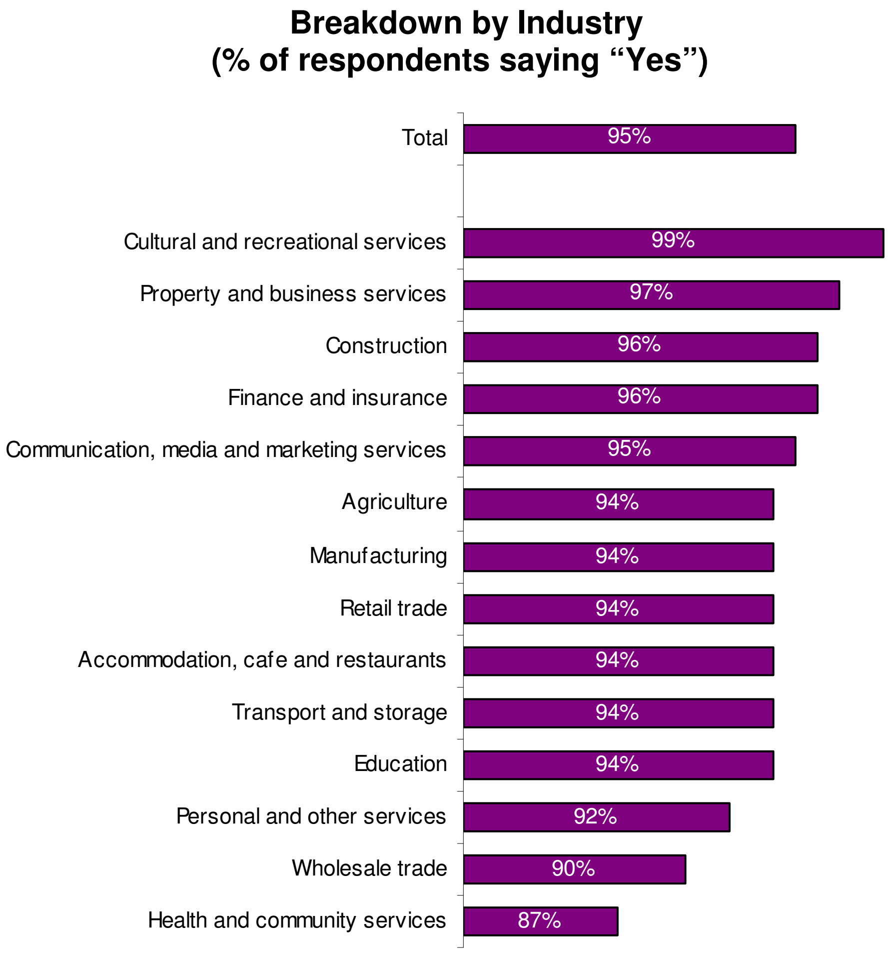
There were no significant differences between the results from this quarter and the results from last quarter.

Awareness of Work Choices

95% of small businesses are aware of the Work Choices policy

Figure 14: Proportion of small businesses who have heard of the new IR/Work Choices legislation (%)





Base: Online small businesses
Q: Before today, had you heard of the Industrial Relations Policy (also known as Work Choices) that was introduced by the government in 2006?

AMR Interactive, July 2007 (n=2352)

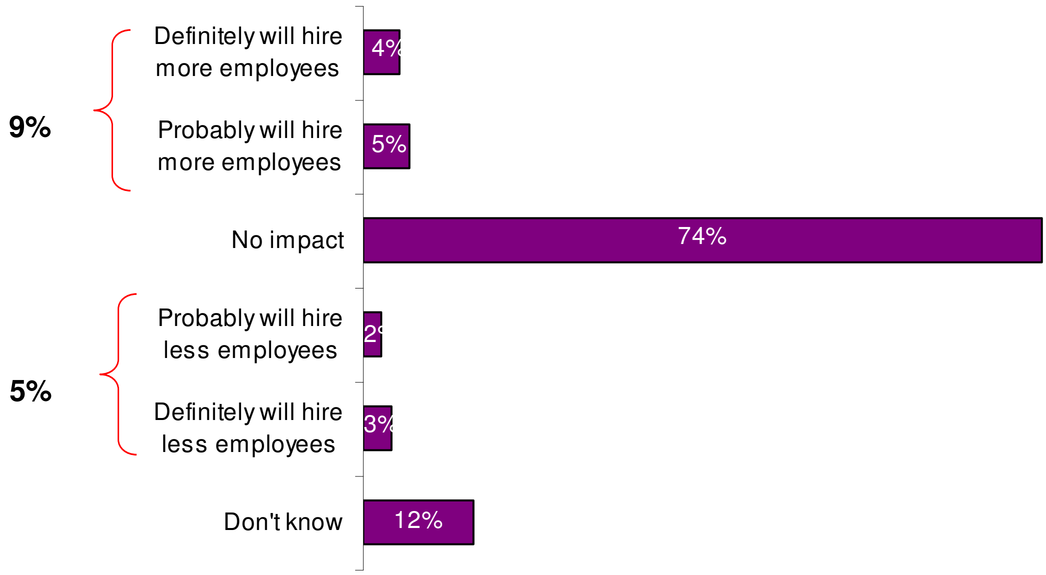
Overall, the majority (95%) of small businesses reported that they had heard of the Federal Government's Industrial Relations Policy (ie: Work Choices) introduced in 2006.

By Industry, small businesses from the Cultural and Recreational Services sector (99%) were most likely to be aware of the policy, while those from the Health and Community Services sector (87%) were least likely.

Impact of Work Choices on Employment

Most small businesses believe the Work Choices policy will not affect their hiring decisions

Figure 15: Impact of the new IR/Work Choices legislation on small business' hiring of employees over the next 12 months (%)



Base: Online small businesses
Q: What, if any, impact will the government's Industrial Relations Policy introduced in 2006 (also known as Work Choices), have on your business' hiring of employees over the next 12 months?

AMR Interactive, July 2007 (n=2352)

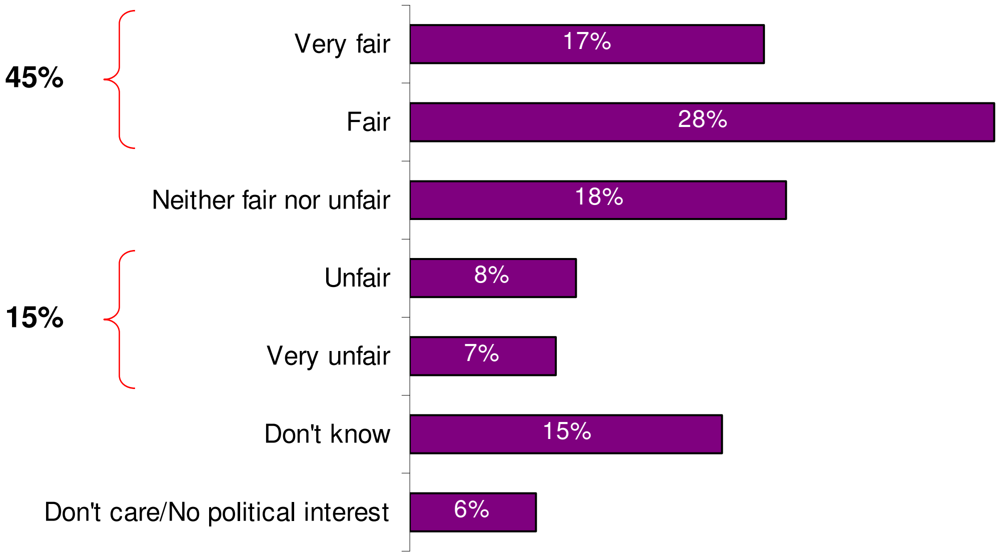
Around three quarters (74%) of small businesses indicated that the Industrial Relations Policy (ie: Work Choices) would not have any impact on their hiring of employees over the next 12 months.

Around one in ten (9%) small businesses would hire more employees as a result of the Work Choices policy (ie: "definitely will hire more employees" and "probably will hire more employees").

Fairness of Work Choices

Many small businesses believe the Work Choices policy is fair to business owners

Figure 16: Perceptions of the fairness of the new IR/Work Choices legislation (%)



Base: Online small businesses
Q: Do you ***personally*** feel that the Industrial Relations Policy (also known as Work Choices) is fair or unfair to business owners who employ staff?

AMR Interactive, July 2007 (n=2352)

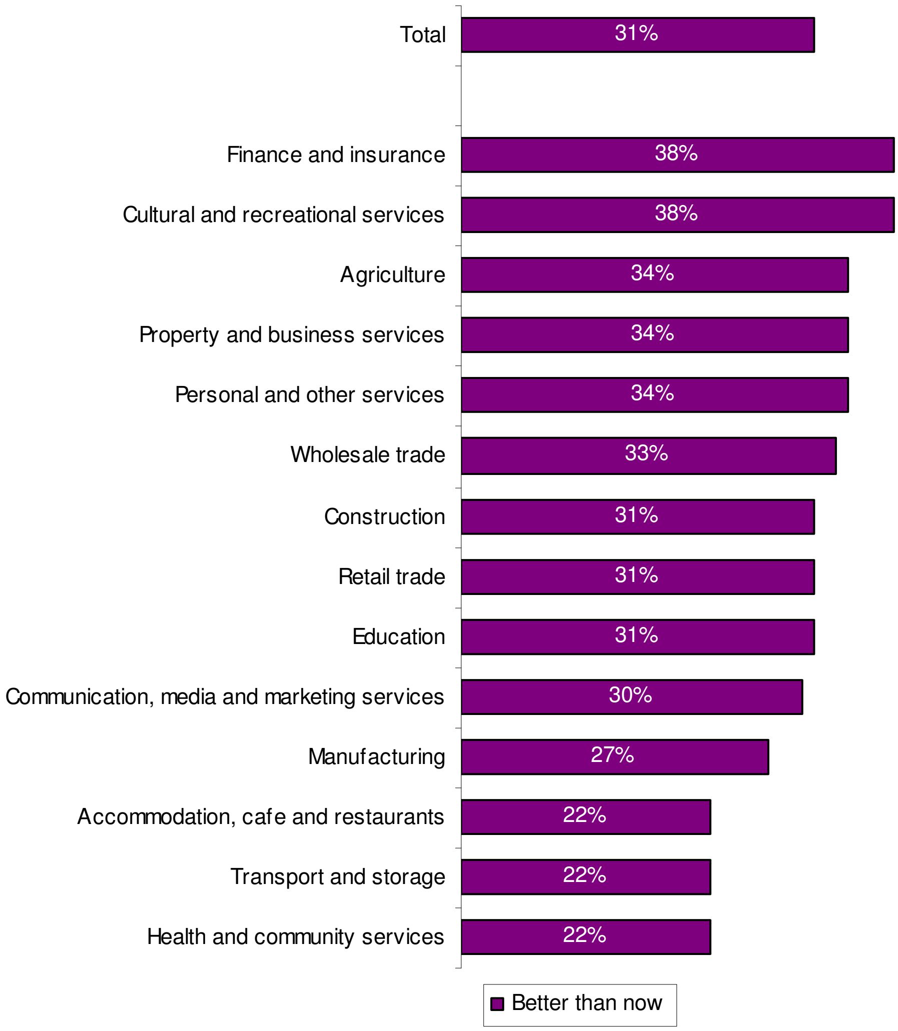
45% of small businesses believed that the Work Choices policy is fair to business owners who employ staff (ie: “fair” and “very fair”).

15% of small businesses believed that the policy is unfair (ie: “unfair” and “very unfair”), with another 15% being undecided about the issue.

Expectations for Future Economic Performance

Around one third of small businesses expect the Australian economy to perform better over the next 12 months

Figure 17: Performance outlook for the Australian economy over the next 12 months (%)



	Better Than Now		
	Jul 07	Apr 07	Jan 07
Total	**31%**	26%	21%
Finance and insurance	**38%**	28%	28%
Cultural and recreational services	**38%**	35%	12%
Agriculture	**34%**	24%	11%
Property and business services	**34%**	28%	22%
Personal and other services	**34%**	25%	18%
Wholesale trade	**33%**	30%	22%
Construction	**31%**	26%	22%
Retail trade	**31%**	24%	23%
Education	**31%**	34%	12%
Communication, media and marketing services	**30%**	26%	21%
Manufacturing	**27%**	18%	28%
Accommodation, cafe and restaurants	**22%**	18%	20%
Transport and storage	**22%**	29%	18%
Health and community services	**22%**	27%	21%

Base: Online small businesses
Q: Thinking more generally about the condition of the overall Australian economy over the next 12 months time, do you think it will perform... better than now, worse than now, no change, don't know?

AMR Interactive, July 2007 (n=2352)

Overall, around one third (31%) of small businesses expected the Australian economy to perform better over the next 12 months. This has increased steadily by 10% over the last two quarters (21% in January and 26% in April 2007).

By Industry, small businesses from the Finance and Insurance (38%) and Cultural and Recreational Services (38%) sectors were most likely to have an optimistic outlook for Australia's economic performance.

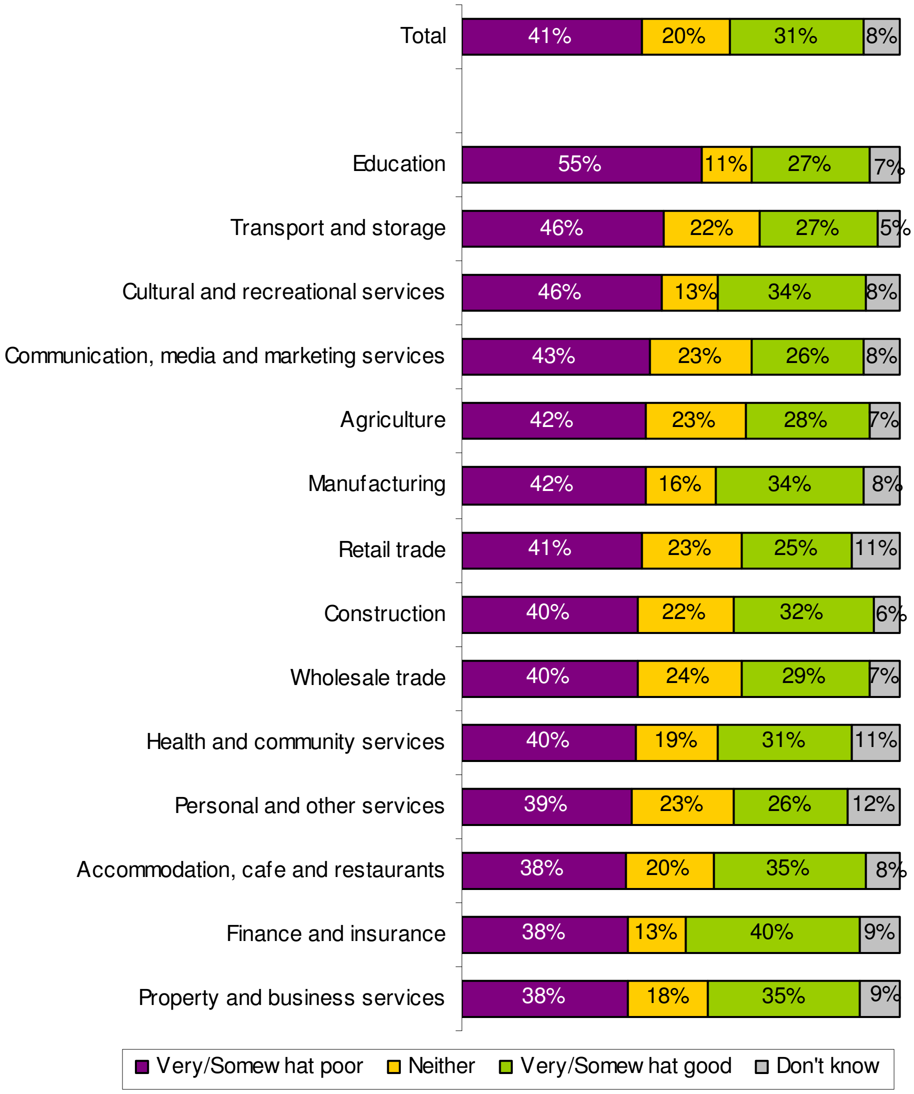
The Accommodation, Café and Restaurants (22%), Transport and Storage (22%) and Health and Community Services (22%) industries were least optimistic about the Australian economy.

Amongst all industries, the Cultural and Recreational Services sector has seen the greatest increase in the proportion of small businesses with an optimistic outlook for the Australian economy since January 2007 (12%, up 26% to 38% in July), followed by the Agriculture sector (11% in January, up 23% to 34% in July).

Perceptions of Federal Government Performance

Two in five small businesses are dissatisfied with the Federal Government's contribution to development of small business

Figure 18: Federal Government's contribution to the development of small business in Australia (%)



	Combined Very Poor/Somewhat Poor		
	Jul 07	**Apr 07**	**Jan 07**
Total	**41%**	44%	44%
Education	**55%**	48%	43%
Transport and storage	**46%**	41%	59%
Cultural and recreational services	**46%**	48%	36%
Communication, media and marketing services	**43%**	43%	41%
Agriculture	**42%**	39%	38%
Manufacturing	**42%**	51%	46%
Retail trade	**41%**	45%	46%
Construction	**40%**	43%	45%
Wholesale trade	**40%**	55%	53%
Health and community services	**40%**	42%	35%
Personal and other services	**39%**	47%	43%
Accommodation, cafe and restaurants	**38%**	43%	43%
Finance and insurance	**38%**	38%	32%
Property and business services	**38%**	41%	41%

Base: Online small businesses
Q: How would you rate the Federal Government's current performance in contributing to the development of small business in Australia?

AMR Interactive, July 2007 (n=2352)

Small businesses' perception of the Federal Government's performance in contributing to the development of small business in Australia has remained relatively stable since January 2007.

Overall, around two-fifths (41%) of small businesses perceived the Federal Government's contribution to be poor (ie: "very poor" and "somewhat poor" combined).

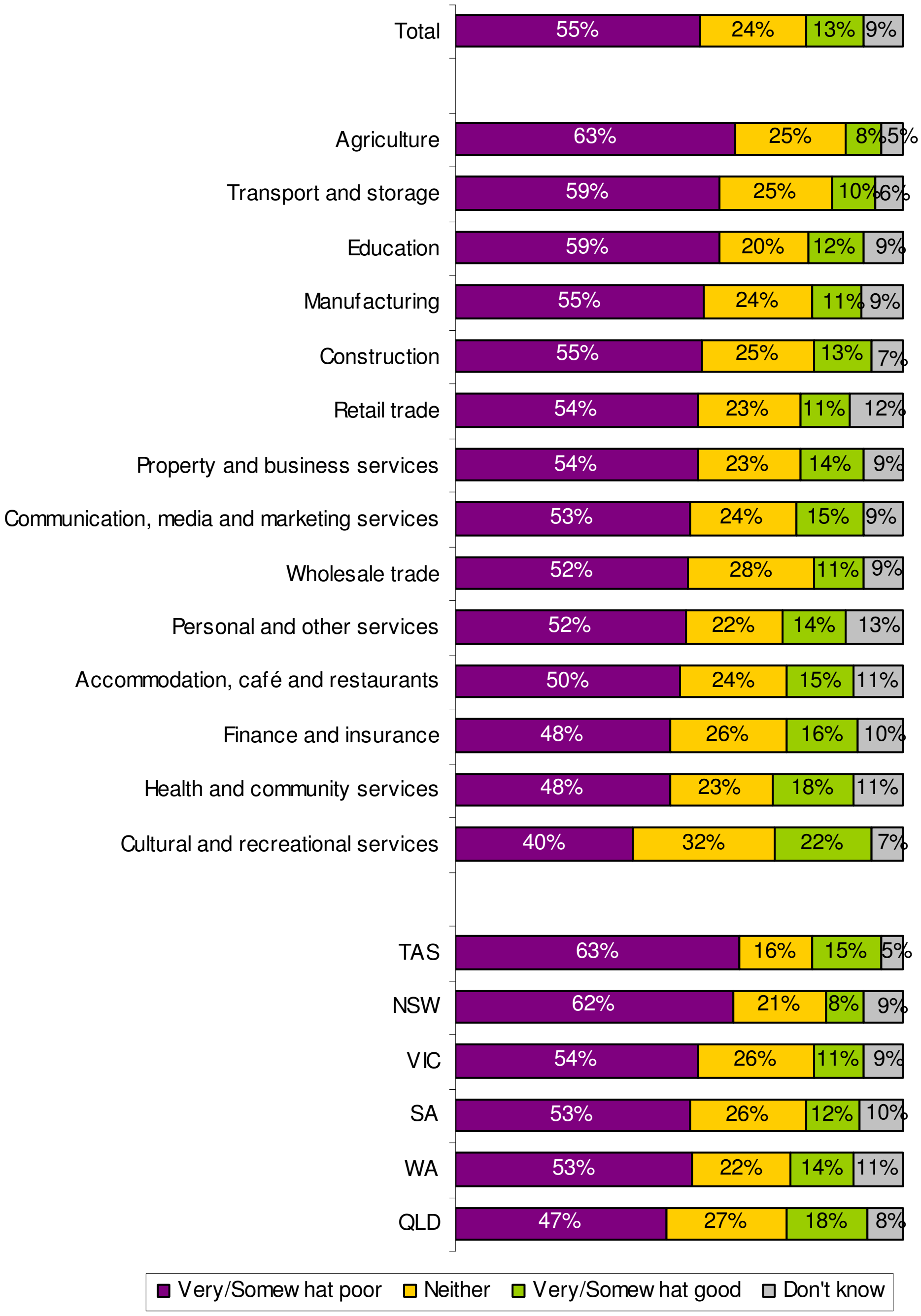
By Industry, small businesses from the Education sector (55%) were most likely to rate the Federal Government's performance negatively (ie: "very poor" and "somewhat poor"). This sector has seen a continuous increase in the proportion of small businesses who were dissatisfied with the Federal Government since January 2007 (43%, up 12% to 55% in July).

The Wholesale Trade industry has had a marked decrease in the proportion of small businesses with negative perceptions of the Federal Government's contribution since the last quarter (55% in April, down 15% to 40% in July 2007).

Perceptions of State Government Performance

Ratings on the State Government's contribution remain lower than those on Federal Government

Figure 19: State Government's contribution to the development of small business in Australia (%)



Combined Very Poor/Somewhat Poor

	Jul 07	Apr 07	Jan 07
Total	**55%**	55%	55%
Agriculture	**63%**	66%	62%
Transport and storage	**59%**	57%	59%
Education	**59%**	58%	42%
Manufacturing	**55%**	66%	51%
Construction	**55%**	52%	57%
Retail trade	**54%**	50%	59%
Property and business services	**54%**	57%	51%
Communication, media and marketing services	**53%**	53%	41%
Wholesale trade	**52%**	64%	64%
Personal and other services	**52%**	54%	48%
Accommodation, café and restaurants	**50%**	53%	56%
Finance and insurance	**48%**	53%	48%
Health and community services	**48%**	46%	46%
Cultural and recreational services	**40%**	57%	44%
TAS	**63%**	66%	42%
NSW	**62%**	66%	68%
VIC	**54%**	48%	51%
SA	**53%**	51%	52%
WA	**53%**	46%	49%
QLD	**47%**	54%	43%

Base: Online small businesses
Q: How would you rate the State Government's current performance in contributing to the development of small business in Australia?

AMR Interactive, July 2007 (n=2352)

Small businesses continue to rate the State Government's contribution to the development of small business as worse than that of the Federal Government (see Fig.18 for comparison).

Continuing the trend from the previous quarters (55% in January and April 2007), over half (55%) of small businesses indicated that the State Government's performance was either very poor or somewhat poor.

By Industry, small businesses from the Agriculture sector (63%) were most likely to be critical of the State Government's performance (ie: combined ratings of "very poor" and "somewhat poor"), whilst those from the Cultural and Recreational Services sector (40%) were least likely.

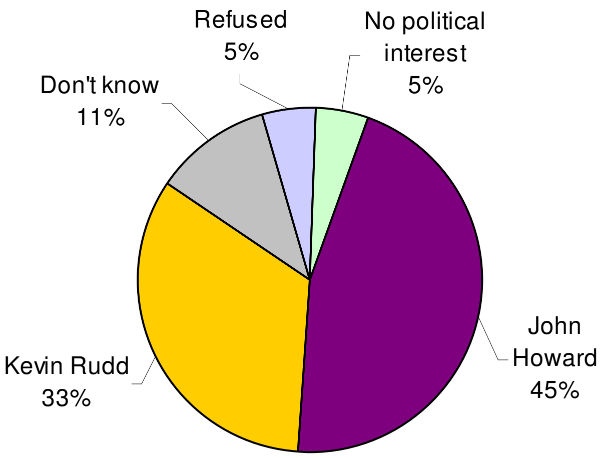
The Wholesale Trade industry has seen a large decrease in the proportion of small businesses that rated the State Government negatively (ie: "very poor" and "somewhat poor" combined) since January 2007 (64%, down 12% to 52% in July).

By State, small businesses in Tasmania (63%) and New South Wales (62%) were most likely to perceive the State Government's performance negatively (ie: "very poor" and "somewhat poor" combined).

Better Prime Minister

Howard is more preferred than Rudd

Figure 20: Small businesses' preferred Prime Minister (%)



Base: Online small businesses
Q: Who do you think would make the better Prime Minister out of John Howard and Kevin Rudd?

AMR Interactive, July 2007 (n=2352)

Small businesses were asked if they think John Howard or Kevin Rudd would make the better Prime Minister.

45% of small businesses believed that John Howard would make the better Prime Minister, when compared with Kevin Rudd.

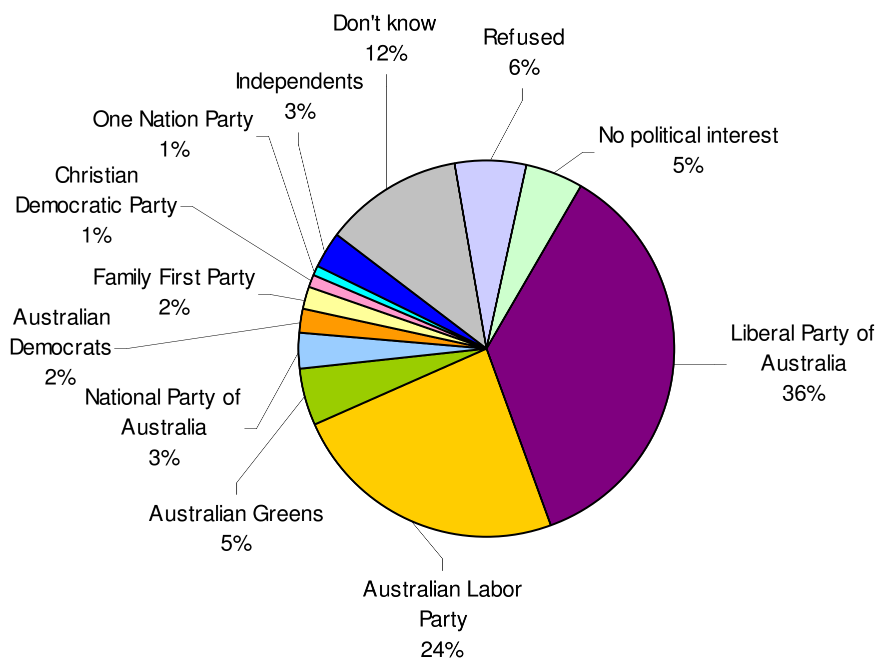
A third (33%) of the respondents supported Kevin Rudd.

These results are consistent with the results from last quarter (42% for John Howard and 35% for Kevin Rudd in April; refer to the *MYOB Small Business Survey Indicator Report April 2007*).

Preferred Representative of the House

The Liberal Party is most preferred

Figure 21: Small businesses' preferred party for the House of Representatives (%)



Base: Online small businesses
Q: If an election for the House of Representatives were held today, which party would you vote for?

AMR Interactive, July 2007 (n=2352)

Small businesses were asked which party they would vote for if there were an election for the House of Representatives today.

As with the previous quarter, the Liberal Party of Australia appeared to be most preferred by small businesses (36% in July and 35% in April*), followed by the Australian Labor Party (24% in July and 24% in April*).

Over one in ten (12%) small businesses were unsure which party they would vote for.

*Note: Refer to the *MYOB Small Business Survey Indicator Report April 2007* for comparison.

Appendix 1 – Expectations for Increases in Business Revenue

Table 5: Percentage of increases in own business revenue in the next 12 months **(breakdown by Industry type and State)**

	% Increases				
	1-5%	**6-10%**	**11-15%**	**16-20%**	**More than 20%**
Total	**18%**	**34%**	**12%**	**13%**	**24%**
Agriculture	15%	33%	14%	16%	23%
Manufacturing	15%	41%	11%	13%	21%
Construction	21%	43%	10%	12%	14%
Wholesale trade	14%	35%	8%	17%	27%
Retail trade	19%	31%	8%	12%	31%
Accommodation, café and restaurants	24%	44%	15%	10%	6%
Transport and storage	26%	32%	10%	9%	22%
Communication, media and marketing services	9%	31%	13%	10%	37%
Finance and insurance	16%	28%	17%	12%	28%
Property and business services	16%	28%	15%	17%	24%
Education	20%	24%	19%	12%	25%
Health and community services	25%	30%	12%	9%	24%
Cultural and recreational services	14%	34%	13%	13%	26%
Personal and other services	18%	31%	10%	10%	31%
NSW	19%	30%	11%	12%	27%
VIC	16%	32%	11%	16%	25%
QLD	15%	38%	14%	11%	22%
SA	21%	33%	7%	12%	27%
WA	21%	33%	12%	14%	21%
TAS	28%	40%	12%	5%	15%

Base: Online small businesses that expect their revenue to increase in the next 12 months
Q: How much do you expect your revenue to increase in the next 12 months?

AMR Interactive, July 2007 (n=1594)

Appendix 2 – Expectations for Employment

Table 6: Number of employees intended to hire over the next 12 months **(breakdown by Industry type)**

	Number of employees				
	1 employee	**2 employees**	**3 employees**	**4 employees**	**5 employees or more**
Total	**35%**	**41%**	**10%**	**4%**	**10%**
Agriculture	29%	54%	3%	4%	10%
Manufacturing	35%	46%	9%	5%	6%
Construction	27%	45%	11%	4%	13%
Wholesale trade	42%	37%	13%	3%	6%
Retail trade	33%	46%	11%	1%	9%
Accommodation, café and restaurants	20%	31%	12%	16%	22%
Transport and storage	43%	42%	7%	0%	8%
Communication, media and marketing services	20%	32%	24%	8%	16%
Finance and insurance	44%	44%	11%	2%	0%
Property and business services	42%	32%	9%	6%	11%
Education	27%	37%	15%	0%	20%
Health and community services	42%	38%	11%	2%	6%
Cultural and recreational services	55%	10%	30%	0%	4%
Personal and other services	40%	42%	4%	10%	5%

Base: Online small businesses that expect to hire more employees in the next 12 months
Q: How many employees do you intend to hire in the next 12 months?

AMR Interactive, July 2007 (n=585)

Appendix 3 – Preferred Method of Recruitment

Table 7: Ways of finding employees **(breakdown by Industry type)**

	Way of finding employees				
	By advertising on newspapers	**By advertising on the Internet**	**Through family/friends/ other employees in my company**	**Via professional association**	**Through recruitment agency**
Total	**30%**	**19%**	**57%**	**26%**	**15%**
Agriculture	26%	12%	66%	14%	12%
Manufacturing	32%	19%	58%	22%	23%
Construction	30%	9%	63%	27%	15%
Wholesale trade	32%	26%	50%	18%	19%
Retail trade	28%	15%	62%	19%	17%
Accommodation, café and restaurants	38%	33%	69%	9%	12%
Transport and storage	51%	16%	52%	24%	14%
Communication, media and marketing services	12%	26%	46%	27%	13%
Finance and insurance	20%	19%	47%	33%	18%
Property and business services	30%	33%	49%	37%	14%
Education	21%	31%	61%	43%	13%
Health and community services	41%	27%	41%	45%	19%
Cultural and recreational services	15%	15%	55%	39%	0%
Personal and other services	30%	22%	52%	16%	10%

Base: Online small businesses that have one or more employees
Q: How do you find your employees? (Multiple responses)

AMR Interactive, July 2007 (n=1496)

Appendix 4 – Main Customer

Table 8: Small businesses' main customer **(breakdown by Industry type)**

	Main customer		
	Businesses	**Consumer/customers**	**Both**
Total	**27%**	**38%**	**32%**
Agriculture	29%	32%	33%
Manufacturing	39%	20%	41%
Construction	19%	39%	39%
Wholesale trade	52%	14%	33%
Retail trade	5%	61%	33%
Accommodation, café and restaurants	8%	77%	14%
Transport and storage	35%	23%	40%
Communication, media and marketing services	56%	11%	31%
Finance and insurance	41%	26%	26%
Property and business services	44%	24%	27%
Education	12%	63%	23%
Health and community services	15%	64%	17%
Cultural and recreational services	16%	48%	32%
Personal and other services	17%	53%	26%

Base: Online small businesses
Q: Does your business sell products or services primarily to other businesses or consumers/customers?

AMR Interactive, July 2007 (n=2352)

Appendix 5 – Impact of Work Choices on Employment

Table 9: Impact of the new IR/Work Choices legislation on small business' hiring of employees over the next 12 months **(breakdown by Industry type)**

	Hiring employees under the Work Choices policy					
	Definitely will hire more employees	Probably will hire more employees	No impact	Probably will hire less employees	Definitely will hire less employees	Don't know
Total	**4%**	**5%**	**74%**	**2%**	**3%**	**12%**
Agriculture	5%	4%	75%	2%	6%	8%
Manufacturing	3%	8%	73%	3%	3%	9%
Construction	6%	5%	71%	1%	3%	13%
Wholesale trade	7%	4%	67%	2%	2%	18%
Retail trade	3%	4%	74%	1%	3%	16%
Accommodation, café and restaurants	6%	4%	79%	3%	1%	7%
Transport and storage	4%	4%	66%	3%	4%	19%
Communication, media and marketing services	2%	5%	73%	2%	5%	14%
Finance and insurance	1%	7%	80%	1%	1%	11%
Property and business services	6%	7%	73%	3%	2%	8%
Education	1%	4%	80%	0%	3%	13%
Health and community services	3%	3%	74%	1%	5%	14%
Cultural and recreational services	1%	0%	85%	2%	2%	10%
Personal and other services	3%	3%	75%	2%	3%	14%

Base: Online small businesses
Q: What, if any, impact will the government's Industrial Relations Policy introduced in 2006 (also known as Work Choices), have on your business' hiring of employees over the next 12 months?

AMR Interactive, July 2007 (n=2352)

Appendix 6 – Fairness of Work Choices

Table 10: Perceptions of the fairness of the new IR/Work Choices legislation **(breakdown by Industry type)**

	Fairness of the Work Choices policy					
	Very fair	**Fair**	**Neither fair nor unfair**	**Unfair**	**Very unfair**	**Don't know**
Total	**17%**	**28%**	**18%**	**8%**	**7%**	**15%**
Agriculture	22%	25%	16%	9%	9%	14%
Manufacturing	17%	24%	21%	8%	9%	15%
Construction	18%	30%	19%	5%	8%	11%
Wholesale trade	14%	34%	21%	7%	4%	13%
Retail trade	13%	27%	18%	10%	6%	20%
Accommodation, café and restaurants	18%	27%	17%	10%	3%	18%
Transport and storage	17%	27%	10%	11%	8%	20%
Communication, media and marketing services	14%	32%	20%	10%	7%	12%
Finance and insurance	19%	35%	17%	8%	6%	8%
Property and business services	20%	32%	19%	6%	6%	12%
Education	18%	22%	22%	5%	10%	20%
Health and community services	10%	27%	20%	7%	10%	18%
Cultural and recreational services	13%	21%	25%	12%	6%	19%
Personal and other services	15%	20%	17%	16%	8%	18%

Base: Online small businesses
Q: Do you ***personally*** feel that the Industrial Relations Policy (also known as Work Choices) is fair or unfair to business owners who employ staff?

AMR Interactive, July 2007 (n=2352)

Appendix 7 – Better Prime Minister

Table 11: Small businesses' preferred Prime Minister **(breakdown by Industry type and State)**

	John Howard	Kevin Rudd
Total	**45%**	**33%**
Agriculture	53%	26%
Manufacturing	49%	28%
Construction	50%	29%
Wholesale trade	43%	40%
Retail trade	43%	28%
Accommodation, café and restaurants	43%	25%
Transport and storage	41%	36%
Communication, media and marketing services	38%	43%
Finance and insurance	55%	31%
Property and business services	44%	38%
Education	38%	45%
Health and community services	37%	39%
Cultural and recreational services	36%	50%
Personal and other services	41%	36%
NSW	44%	33%
VIC	46%	35%
QLD	46%	32%
SA	48%	30%
WA	43%	30%
TAS	36%	40%

Base: Online small businesses
Q: Who do you think would make the better Prime Minister out of John Howard and Kevin Rudd?

AMR Interactive, July 2007 (n=2352)

Appendix 8 – Preferred Representative of the House (Liberal Party and Labor Party)

Table 12: Small businesses' preferred party for the House of Representatives – Liberal Party and Labor Party **(breakdown by Industry type and State)**

	Liberal Party	Labor Party
Total	**36%**	**24%**
Agriculture	37%	19%
Manufacturing	35%	19%
Construction	40%	22%
Wholesale trade	37%	26%
Retail trade	32%	23%
Accommodation, café and restaurants	46%	17%
Transport and storage	29%	24%
Communication, media and marketing services	33%	33%
Finance and insurance	46%	26%
Property and business services	39%	31%
Education	33%	29%
Health and community services	28%	26%
Cultural and recreational services	38%	35%
Personal and other services	34%	25%
NSW	33%	26%
VIC	40%	23%
QLD	36%	23%
SA	39%	27%
WA	33%	21%
TAS	33%	22%

Base: Online small businesses
Q: If an election for the House of Representatives were held today, which party would you vote for?

AMR Interactive, July 2007 (n=2352)

Appendix 9 – Questionnaire Items

S1: Are you the owner, general manager, or a key decision-maker of this business?
1. Business owner
2. General manager but not a business owner
3. Key decision maker
4. Other (specify)

Q. Approximately how many full time employees does the company have in Australia **not including yourself**?
1. No other employees apart from me (sole trader)
2. 1 full time employee
3. 2 full time employees
4. 3 full time employees
5. 4 full time employees
6. 5-9 full time employees
7. 10-19 full time employees
8. 20-50 full time employees
9. 51-100 full time employees
10. More than 100 employees

Q. Is your business a subsidiary of a non-Australian based business?
1. Yes
2. No

Q. Does your business operate out of a household or home office?
1. Yes (GO TO Q3)
2. No (GO TO Q4)

Q. And does your business conduct most of its day-to-day work at these premises, or away from these premises?
1. At premises
2. Away from premises

Q. How long has your business been operating?
1. Less than 1 year
2. 1 to less than 2 years
3. 2 to less than 3 years
4. 3 to less than 5 years
5. 5 to less than 10 years
6. 10 years or more

Q. And how long has the current owner been operating the business?
1. Less than 1 year
2. 1 to less than 2 years
3. 2 to less than 3 years
4. 3 to less than 5 years
5. 5 to less than 10 years
6. 10 years or more

Q. Which of the following broad categories describes your company's annual turnover?

1. Under $50, 000
2. $50, 000 to less than $100,000
3. $100,000 to less than $500,000
4. $500,000 to less than $1 million
5. $1 million to less than $5 million
6. $5 million to less than $10 million
7. $10 million or more
8. Don't know

KEY INDICATORS:

Q: Thinking about the next twelve months, how confident do you feel about the prospects for your own business?

1. Extremely confident
2. Fairly confident
3. Neutral
4. Fairly worried
5. Extremely worried.

Q. Thinking about the **current performance** of your own business, do you think your business is performing…

1. Very well
2. Quite well
3. Not very well
4. Not at all well
5. Don't know

Q. Now thinking about the **performance outlook** for your own business over the next 12 months, do you think your business will perform…

1. Better than now
2. Worse than now
3. No change
4. Don't know

Q. You mentioned that you expect your business to… *[be better than now, be worse than now, have no change]* over the next 12 months, what are the factors underpinning your expectation? (*Please select all that apply)*

1. Current tax levels
2. Future proposed tax changes - going up
3. Future proposed tax changes - going down
4. Petrol prices too high
5. Petrol prices forecast reduction
6. Employment market favourable for employers
7. Lack of available trained workers to draw on
8. Increase in Government investment in my industry
9. Decrease in Government investment in my industry
10. Increase in competitive activity
11. Decrease in competitive activity
12. Organic growth of my industry is increasing
13. Decline in growth rate of my industry
14. Consumer/end user trends changing favourably
15. Consumer/end user trends changing unfavourably
16. None of these
38. Other (please specify)

Q. Thinking more generally about the condition of the overall **Australian economy** over the next 12 months time, do you think it will perform…

1. Better than now
2. Worse than now
3. No change
4. Don't know (don't read out)

Q. Listed below are a number of issues that your business will deal with over the next 12 months. **Thinking only about your own business**, please indicate your outlook for each of these issues. (1 is a very negative outlook, 2 is a somewhat negative outlook, 3 is neutral, 4 is a positive outlook and 5 is very positive outlook. If this is not applicable to your business select 6)

1. Sales
2. Cash flow
3. Business costs
4. Profitability
5. Competitor activity
6. Federal Government policies
7. Local Government policies
8. Exchange rates
9. Interest rates
10. Business systems (IT, accounting)
11. Marketing and customer relationships

Q. Do you expect to invest in your business in the next 6 months?

1. Yes
2. No

ASK IF "YES":

Q. And in funding this investment, are you likely to use your own cash resources, raise it through borrowings or both?

1. Fund all of it from our own resources
2. Borrow the entire amount
3. Combination of self funding and borrowings
4. Don't know

Q. How would you rate the Federal Government's current performance in contributing to the development of small business in Australia?

[Please indicate below where 1 means very poor performance, 2 means poor performance, 3 means neither poor nor good performance, 4 means good performance and 5 means very good performance. If you really have no idea, then select "Don't know".]

1. Very poor performance
2. Somewhat poor performance
3. Neither good nor poor performance
4. Good performance
5. Very good performance
6. Don't know

Q. How would you rate your State Government's current performance in contributing to the development of small business in your region?

[Please indicate below where 1 means very poor performance, 2 means poor performance, 3 means neither poor nor good performance, 4 means good performance and 5 means very good performance. If you really have no idea, then select "Don't know".]

1. Very poor performance
2. Poor performance
3. Neither good not poor performance
4. Good performance
5. Very good performance
6. Don't know

Q. Does your business sell products or services primarily to other businesses or consumers?

1. Businesses
2. Consumers
3. Both
4. Other (specify)
9. Don't know

Q. What percentage of your overall expenses does each of the following areas account for? **[Responses: percentage for each category; all add up to 100%]**

1. Rent and property costs
2. Salary/wages
3. IT - software and hardware
4. Plant equipment, furniture, materials and inventory costs
5. Marketing, advertising and sales
6. Energy use - electricity, gas, water, oil/petrol
7. Research & Development costs
8. Administrative costs – human resource management, accounting, finance
9. Other (specify)

Q. Do you expect your business revenue to increase, decrease or remain unchanged in the next 12 months?

1. Increase
2. Decrease
3. Unchanged
9. Don't know

ASK IF "INCREASE":

Q. How much do you expect your revenue to increase in the next 12 months?

1. 1-5%
2. 6-10%
3. 11-15%
4. 16-20%
5. More than 20%

ASK IF "DECREASE":

Q. How much do you expect your revenue to decrease in the next 12 months?

1. 1-5%
2. 6-10%
3. 11-15%
4. 16-20%
5. More than 20%

Q. Do you intend to hire or reduce employees within the next 12 months?
1. Hire more employees
2. Reduce employees
3. Neither hire nor reduce
4. I am a sole trader and do not intend to hire
1. Don't know

ASK IF "HIRE":

Q. How many employees do you intend to hire in the next 12 months?
1. 1 employee
2. 2 employees
3. 3 employees
4. 4 employees
5. 5 employees or more

ASK IF "REDUCE":

Q. How many employees do you intend to reduce by in the next 12 months?
1. 1 employee
2. 2 employees
3. 3 employees
4. 4 employees
5. 5 employees or more

SKIP THE FOLLOWING TWO QUESTIONS, IF "SOLE TRADER":

Q. How do you find your employees? (Multiple responses)
1. By advertising on newspapers
2. By advertising on the Internet
3. Through family/friends/other employees in my company
4. Via professional association
5. Through recruitment agency
6. Other (specify)

Q. What percentage of your employees is…[Responses: percentage for each category; all add up to 100%]
1. Full time permanent
2. Part-time permanent
3. Contract
4. Casual
5. Other (specify)

ASK ALL:

Q. Before today, had you heard of the Industrial Relations Policy (also known as Work Choices) that was introduced by the government in 2006?
1. Yes
2. No
3. Don't know / Not sure

Q. What, if any, impact will the government's Industrial Relations Policy introduced in 2006 (also known as Work Choices), have on your business' hiring of employees over the next 12 months?

1. Definitely will hire more employees as a result of the new IR/Work Choices legislation
2. Probably will hire more employees as a result of the new IR/Work Choices legislation
3. No impact – the new IR/Work Choices legislation makes no difference
4. Probably will hire less employees as a result of the new IR/Work Choices legislation
5. Definitely will hire less employees as a result of the new IR/Work Choices legislation
6. Don't know / Not sure

Q. Do you personally feel that the Industrial Relations Policy (also known as Work Choices) is fair or unfair to business owners who employ staff?

1. Very fair
2. Fair
3. Neither fair nor unfair
4. Unfair
5. Very unfair
6. Don't know / Not sure
7. Don't care / No political interest

Q. Who do you think would make the better Prime Minister?

1. John Howard
2. Kevin Rudd
3. Refused
4. Don't know

Q. If an election for the House of Representatives were held today, which party would you vote for?

1. Australian Democrats
2. Australian Greens
3. Australian Labor Party
4. Christian Democratic Party
5. Country Liberal Party-The Territory Party
6. Family First Party
7. Liberal Party of Australia
8. National Party of Australia
9. One Nation Party
10. Independents
11. Other (specify)
12. Refused
99. Don't know

DEMOGRAPHICS:

D1. Which state is your company predominantly based in?

1. NSW
2. VIC
3. QLD
4. SA
5. WA
6. TAS
7. NT
8. ACT

D2. What is the postcode where your business is located? If you have more than one office please indicate the postcode where your business Head Quarters are based.

D3. What is the main product, service or activity that your business provides?

____

D4. What industry does your business operate in?

1. Agriculture
2. Manufacturing
3. Electricity, gas and water supply
4. Construction
5. Wholesale trade
6. Retail trade
7. Accommodation, café and restaurants
8. Transport and storage
9. Communication, media and marketing services
10. Finance and insurance
11. Property and business services
12. Government administration and defence
13. Education
14. Health and community services
15. Cultural and recreational services
16. Personal and other services
17. Other (specify)

D5. Are you a MYOB software user?

1. Yes
2. No

ASK IF “YES”:

D6. Please select the MYOB software program(s) you are currently using:
(*Multiple Choices)*

1. Just Invoices
2. Business Basics
3. First Edge
4. Account Edge
5. Accounting
6. Accounting Plus
7. Premier
8. Premier Enterprise
9. PowerPay
10. Accountant's Office
11. Viztopia
12. Single View
13. Other (please specify)