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# MYOB Australian Small Business Survey

## October 2008

Small Business Survey Report

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Prepared for MYOB Australia

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## About the study

This report presents the summary findings for key indicators from the MYOB Australian Small Business Survey comprising a national sample of **1,462** small business proprietors and general managers, conducted in **September 2008**. The small businesses participating in the online 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, 2004*; 8127.0 and *Counts of Australian Businesses, June 2006*; 8165.0).

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 amount of any such investment
- Expectation of employing or reducing staff in the next 12 months
- Methods of finding employees
- Composition of small businesses' workforce

### **Government Issues:**

- Perceptions of the State and Federal Governments performance in contributing to small business development in Australia

The findings of the research are reported by industry type:

<b>Industry</b>	<b>Sample</b>
Agriculture	146
Manufacturing	104
Construction	272
Wholesale Trade	67
Retail Trade	192
Accommodation, Café and Restaurants	37
Transport and Storage	83
Communication, Media and Marketing Services	22
Finance and Insurance	29
Property and Business Services	211
Education	28
Health and Community Services	91
Cultural and Recreational Services	47
Personal and Other Services	83
Information & Communications Technology	47
Tourism	2*
<b>Total</b>	<b>1462</b>

**Note:**

\* Tourism is included in the total statistics reported but is not reported at an industry level due to a low sample size.

The findings are also reported by state for some questions:

<b>State</b>	<b>Sample</b>
NSW	374
VIC	391
QLD	363
SA	99
WA	157
TAS	41
NT	12*
ACT	25*
<b>Total</b>	<b>1462</b>

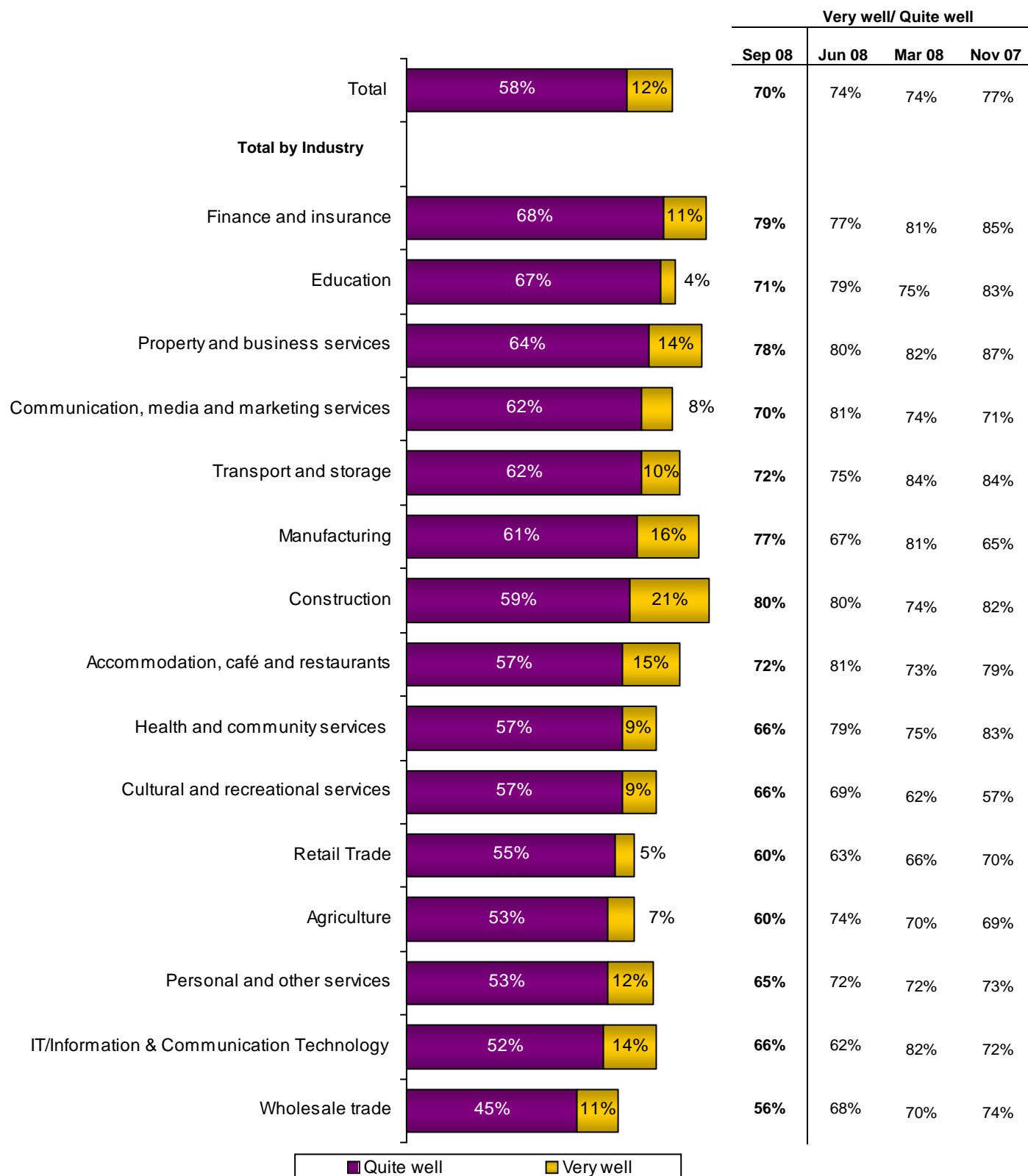
**Note:**

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

## Perceptions of own business (current)

**Majority (70%) of small business owners believe their business is performing quite well or very well**

Figure 1: Perceptions of current business performance by industry (%)



Base: Small businesses owners (n=1462)

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?

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AMR Interactive, October 2008

Overall, the number of small business owners who perceive their business to be performing well (70%) has remained consistent with previous quarters.

In regards to industry however, there has been a noted decline in perceived performance in the Health and Community Services industry which is down to 66% from 79% in June 2008. Small businesses in the Wholesale Trade industry declined from 68% in June 2008 to 56% (decline of 12%) and Communication, Media and Marketing declined from 81% in June 2008 to 70% in September 2008 (decline of 11%).

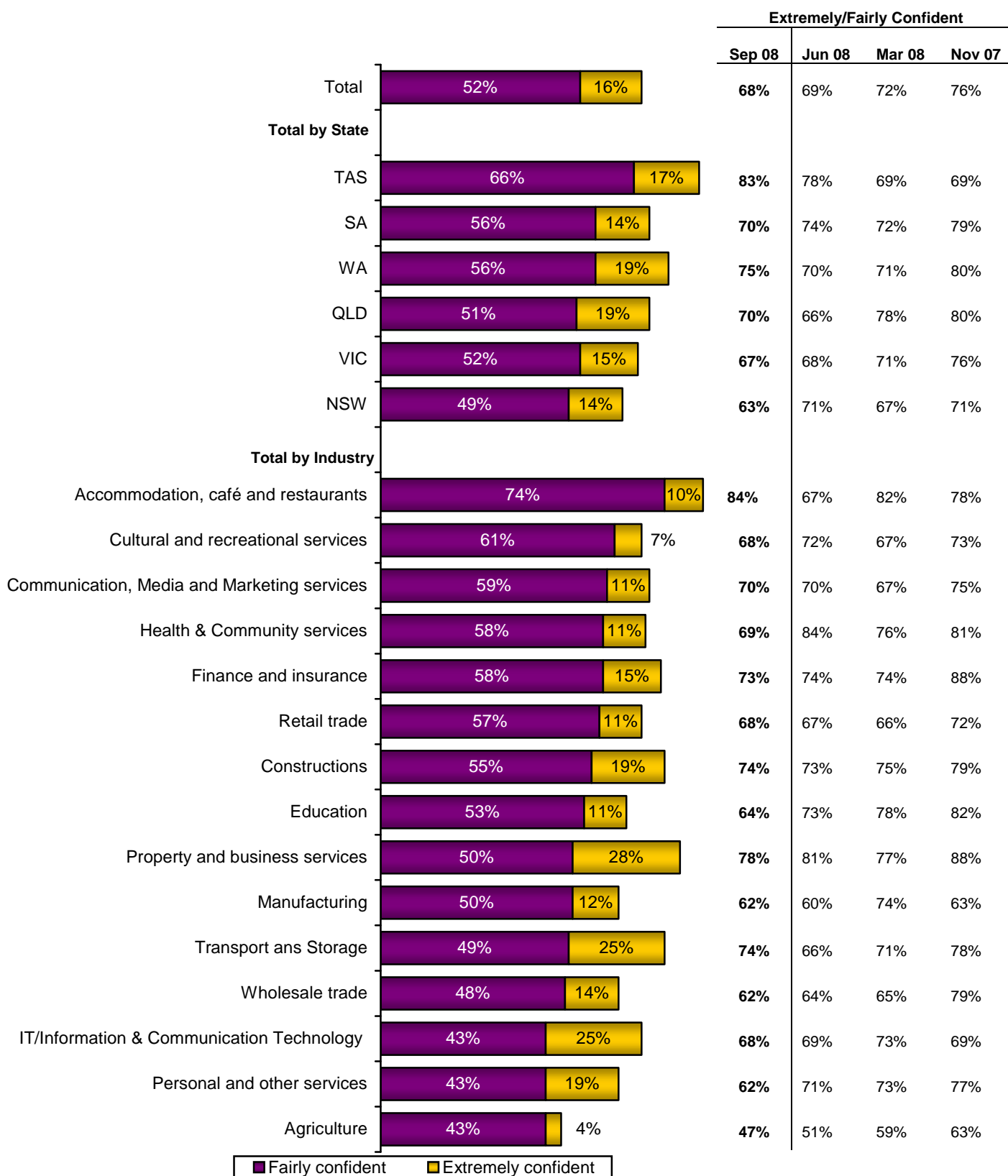
Opposite to this, the Manufacturing industry has an increase in perceived positive performance with a 10% increase from 67% in June 2008 to 77% in September 2008.



## Confidence in future business prospects

**While the majority (68%) of small business owners are confident in business prospects, there is a consistent decline in confidence**

Figure 2: Confidence in business prospects over the next 12 months by state and industry (%)



Base: Small business owners (n=1462)

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

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AMR Interactive, October 2008

A small but consistent decline is noted across previous quarters and the current results of business confidence. This consistent decline shows a drop from 76% in November 2007 to the current September 2008 results where 68% of small business owners are fairly or extremely confident in their business prospects over the next 12 months.

The largest decline in confidence among the states is that of NSW where a 8% decline was noted in confidence, this is followed by a 4% decline in SA. There were a number of increases in confidence in TAS and WA (both 5% increase) and QLD (4% increase).

A number of industry confidence levels saw a decline from the June 2008, such as Health and Community Services which saw a 15% decline from 84% in June 2008 to the current 69%, as well as the Education and Personal and Other Services, both of which had a 9% decline from June 2008. Both of these industries, like the overall results, display small but consistent declines since the November 2007 results.

Small businesses in the Accommodation, Café and Restaurant sector however saw a 17% increase in confidence, followed by the Transport and Storage sector which saw a 8% increase from the previous quarter.

## Perceptions of own business (future)

**Half (50%) of small business owners believe their business will perform better than now over the next 12 months**

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

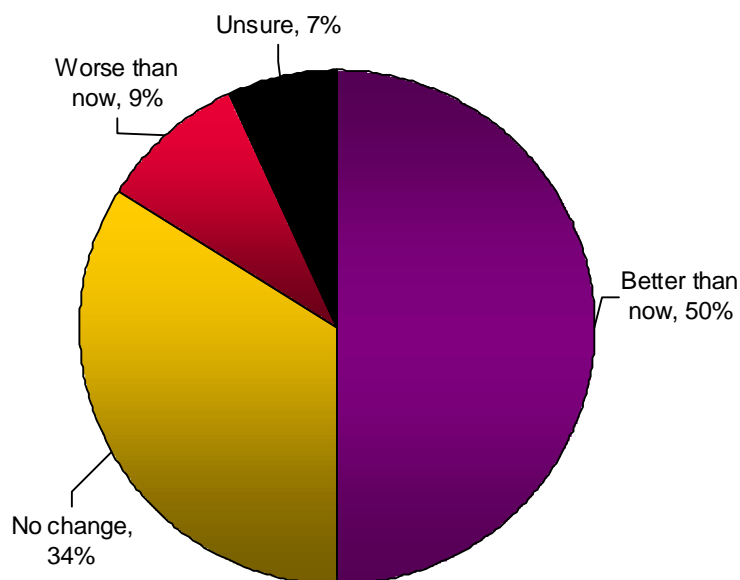


Figure 3.1: Performance outlook (better than now) for own business over the next 12 months by state (%)

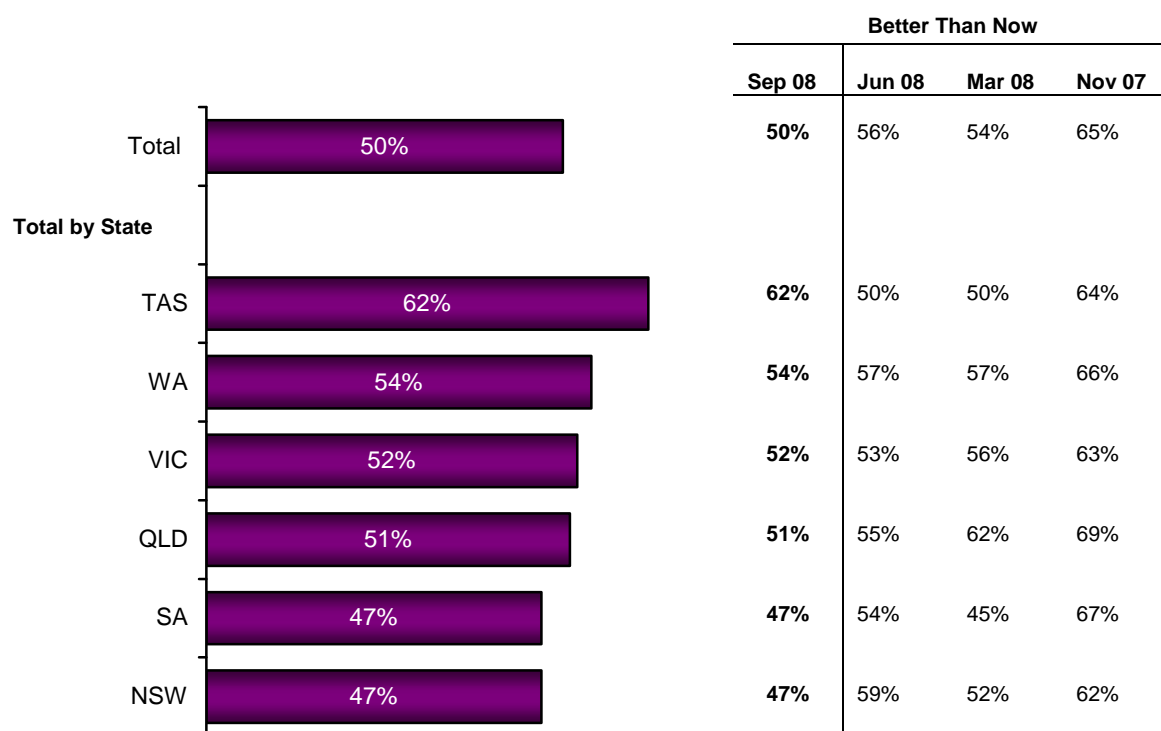
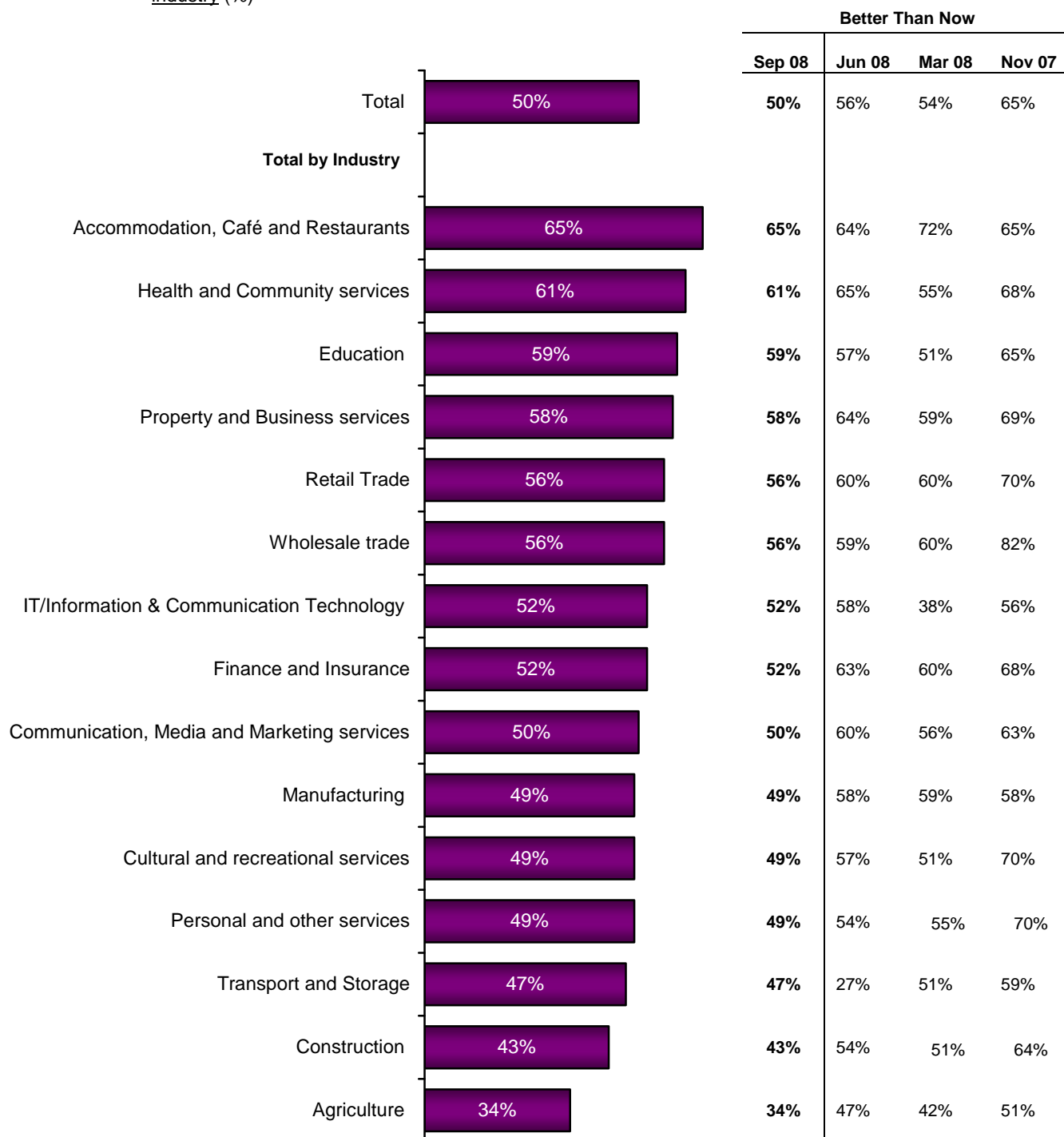


Figure 3.2: Performance outlook (better than now) for own business over the next 12 months by industry (%)



Base: Small business owners (n=1462)

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, October 2008

Half of the small business owners surveyed believe that their business will perform better than now over the next 12 months. This is a decline of 6% from June 2008 and is the lowest results in future performance outlook in the past 4 quarters. On a positive note, only 9% of those surveyed believe that their business will perform worse than now.

In a break down of state by state performance outlooks, Tasmania is the most optimistic state with 62% reporting a better than now performance. This is an increase of 12% since June 2008 and March 2008 (both reporting 50%). All other states saw a decline in positive performance outlook, with the biggest decline noted in NSW with a 12% decline from 59% in June 2008 to the current September 2008 results of 47%. A 7% decline was also shown in SA where 47% of small business owners reporting a better than now outlook.

While the Transport and Storage industry had a 20% increase from 27% in June 2008 to 43% in September 2008, this brings the results for this sector closer to those found in previous quarters where it was 51% in March 2008. The only other industries that displayed an increase in better than now outlook are for small business owners in Accommodation, Café and Restaurants and Education (1% and 2% increase respectively).

Small businesses in all other industries noted a decline in positive outlook with a 13% decline in Agriculture, 11% decline in both Construction and Finance and Insurance, a 10% decline in Communications, Media and Marketing Services, 9% decline in Manufacturing, 8% decline in Cultural and Recreational Services and 6% decline in Property and Business Services and IT/Information & Communication Technology.

## Factors underpinning expectations for business performance

### Half (50%) of small business owners attribute consumer/end user trends changing favourably for their better than now outlook

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

Factor	Expectation for Future Business Performance		
	Better than now (n=736)	Worse than now (n=127)	No Change (n=496)
Current tax levels	5%	14%	20%
Future proposed tax changes - going up	4%	12%	8%
Future proposed tax changes - going down	4%	0%	0%
Petrol prices too high	11%	<b>47%</b>	<b>42%</b>
Petrol prices forecast reduction	4%	0%	1%
Employment market favourable for employers	5%	2%	1%
Lack of available trained workers to draw on	9%	15%	13%
Increase in Government investment in my industry	8%	0%	0%
Decrease in Government investment in my industry	1%	8%	9%
Increase in competitive activity	14%	24%	25%
Decrease in competitive activity	15%	0%	2%
Organic growth of my industry is increasing	34%	0%	2%
Decline in growth rate of my industry	4%	<b>42%</b>	21%
Consumer/end user trends changing favourably	<b>50%</b>	2%	4%
Consumer/end user trends changing unfavourably	2%	<b>56%</b>	14%
Other	10%	14%	8%

Base: Those who responded 'Better than now', 'worse than now' or 'No change' to Q3 (n=1359)

Q: You mentioned that you expect your business to be... 'Better than now', 'Worse than now' OR 'Have no change' over the next 12 months, what are the factors underpinning your expectation? (Multiple choices)

AMR Interactive, October 2008

The most commonly attributed factor underpinning positive business outlook (performing better than now over the next 12 months) for small business owners is 'consumer/end user trends are changing favourably', followed by 'organic growth of my industry is increasing' with 34% and 'decrease in competitive activity' with 15%.

On the flip side of the consumer/end user trend factor being the most commonly attributed for positive performance outlooks, the 'consumer/end user trends changing unfavourably' is also the most commonly attributed factor (56%) for those small business owners who reported a worse than now business outlook. This is followed by 'petrol prices too high' (47%), 'decline in growth of my industry' (42%) and 'increase in competitive activity' (24%).

For those who reported no change in future business outlook, 'petrol prices too high' (42%) was the most commonly attributed factor.

## Expectations for future economic performance

**Almost half (49%) of small business owners surveyed believe the Australian economy will perform worse than now next year**

Figure 4: Performance outlook for the Australian economy over the next 12 months (%)

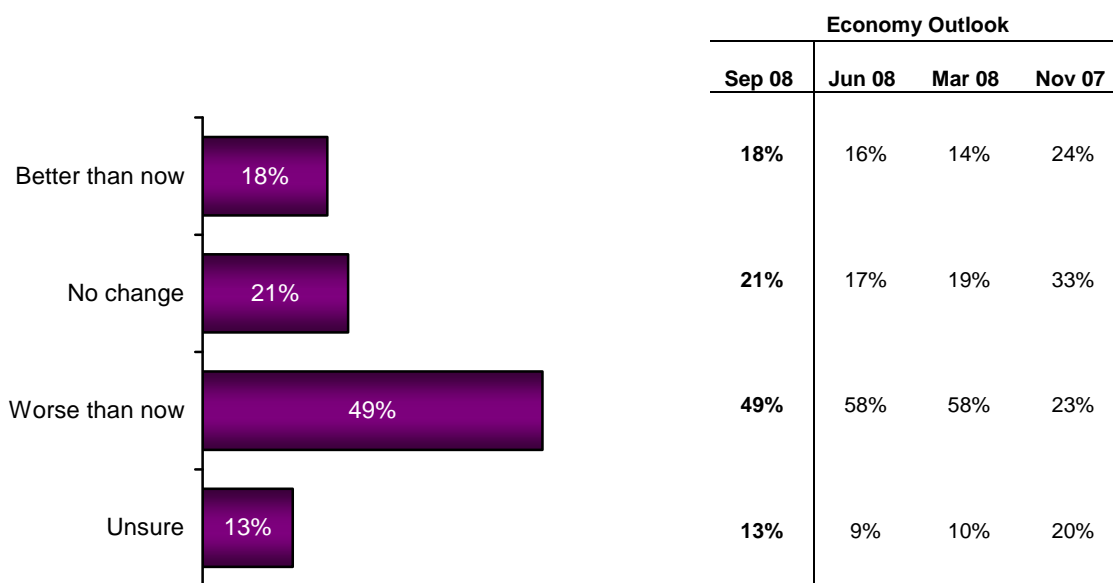


Figure 4.1: Performance outlook for the Australian economy over the next 12 months by state (%)

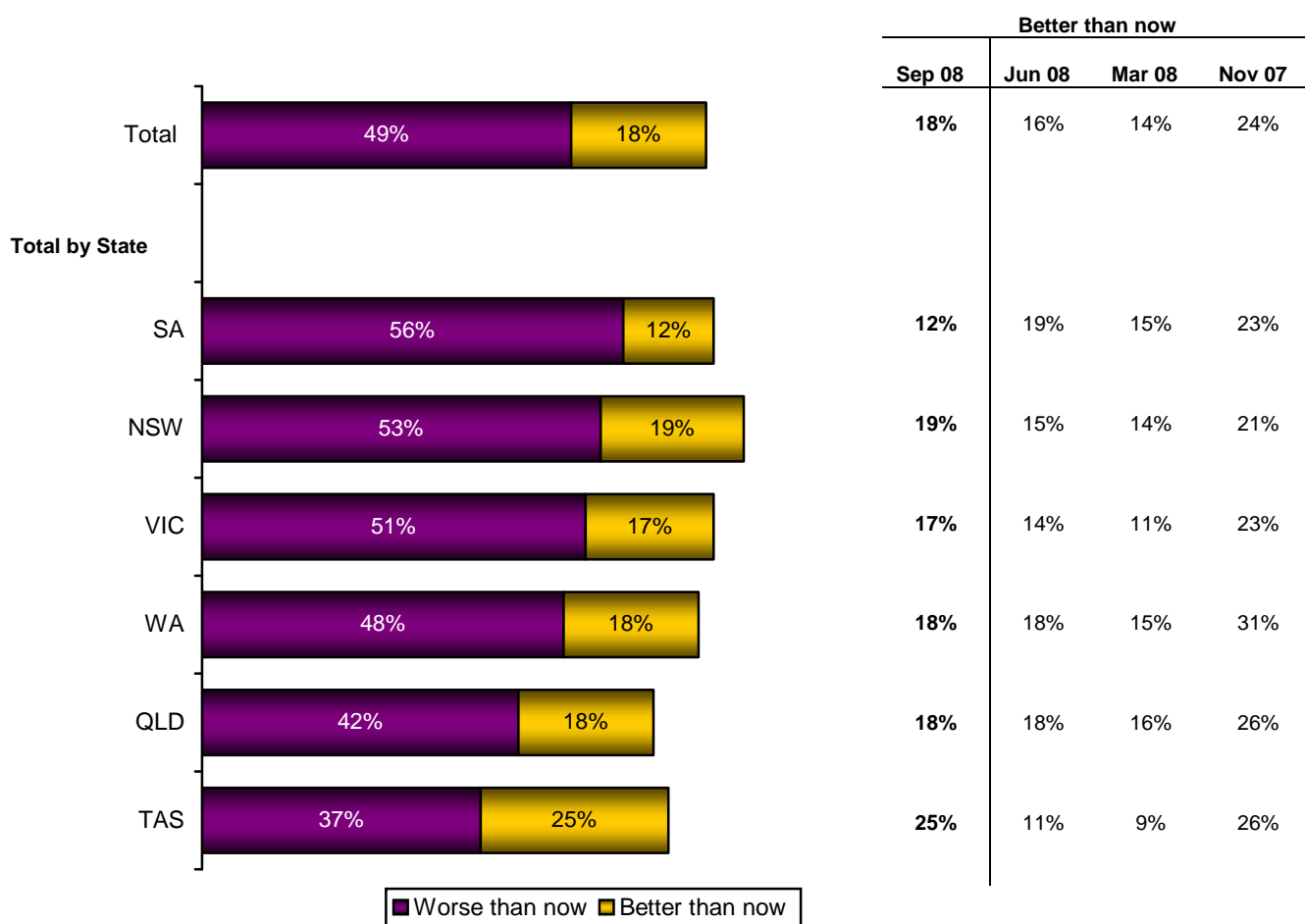
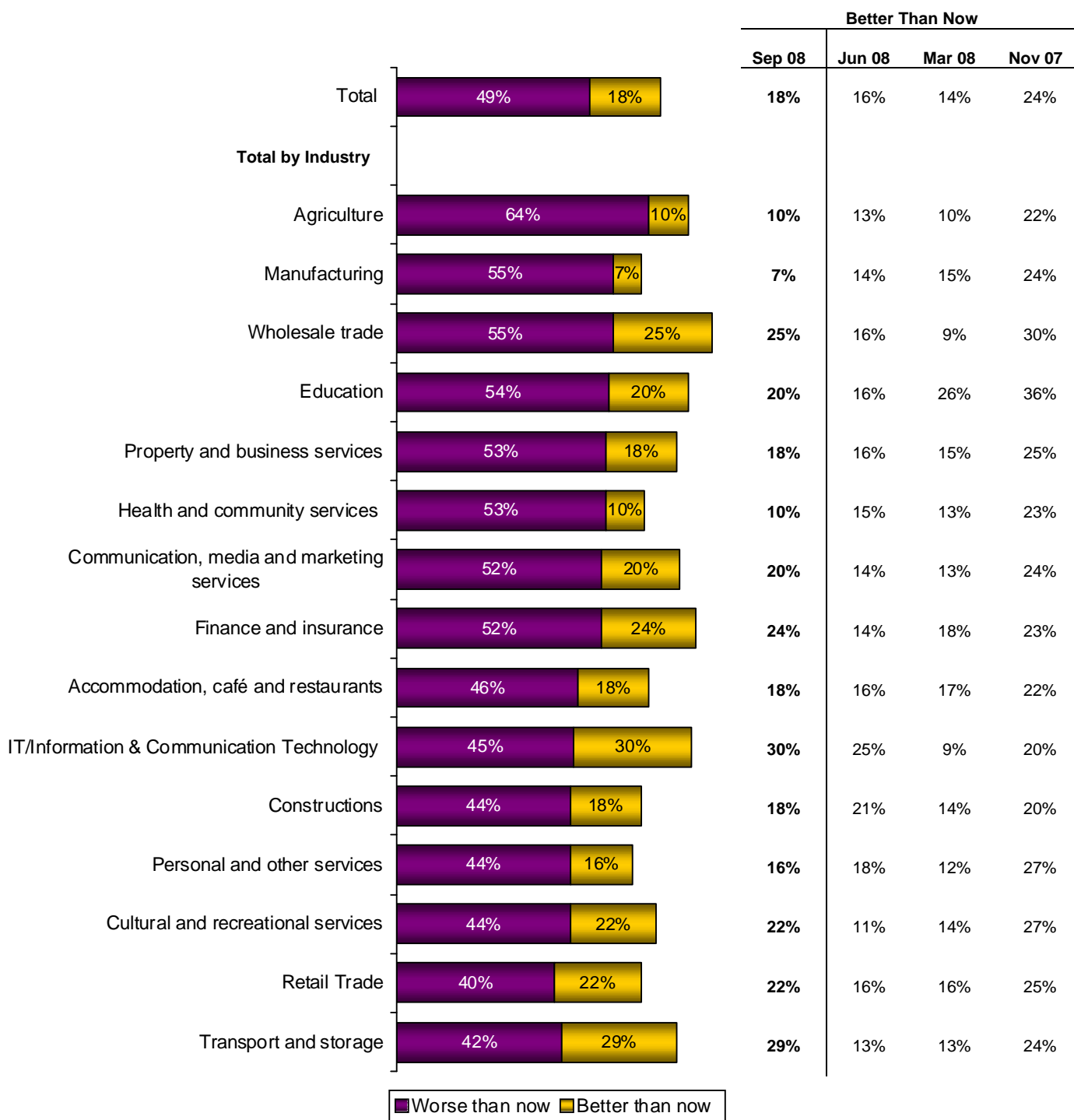


Figure 4.2: Performance outlook for the Australian economy over the next 12 months by industry (%)



Base: Small business owners (n=1462)

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, October 2008

A total of 18% of small business owners surveyed believe that the Australian economy will perform better than now over the next 12 months, showing a relatively pessimistic outlook that is relatively consistent with previous quarters. Twenty-one percent reported believing there will be no change in the economy over the next 12 months and half (49%) reported believing that the Australian economy will perform worse than now.



While most states had only small shifts in responses since June 2008, TAS showed a 14% increase in positive economic outlook since June 2008, while SA had a 7% decline since June 2008.

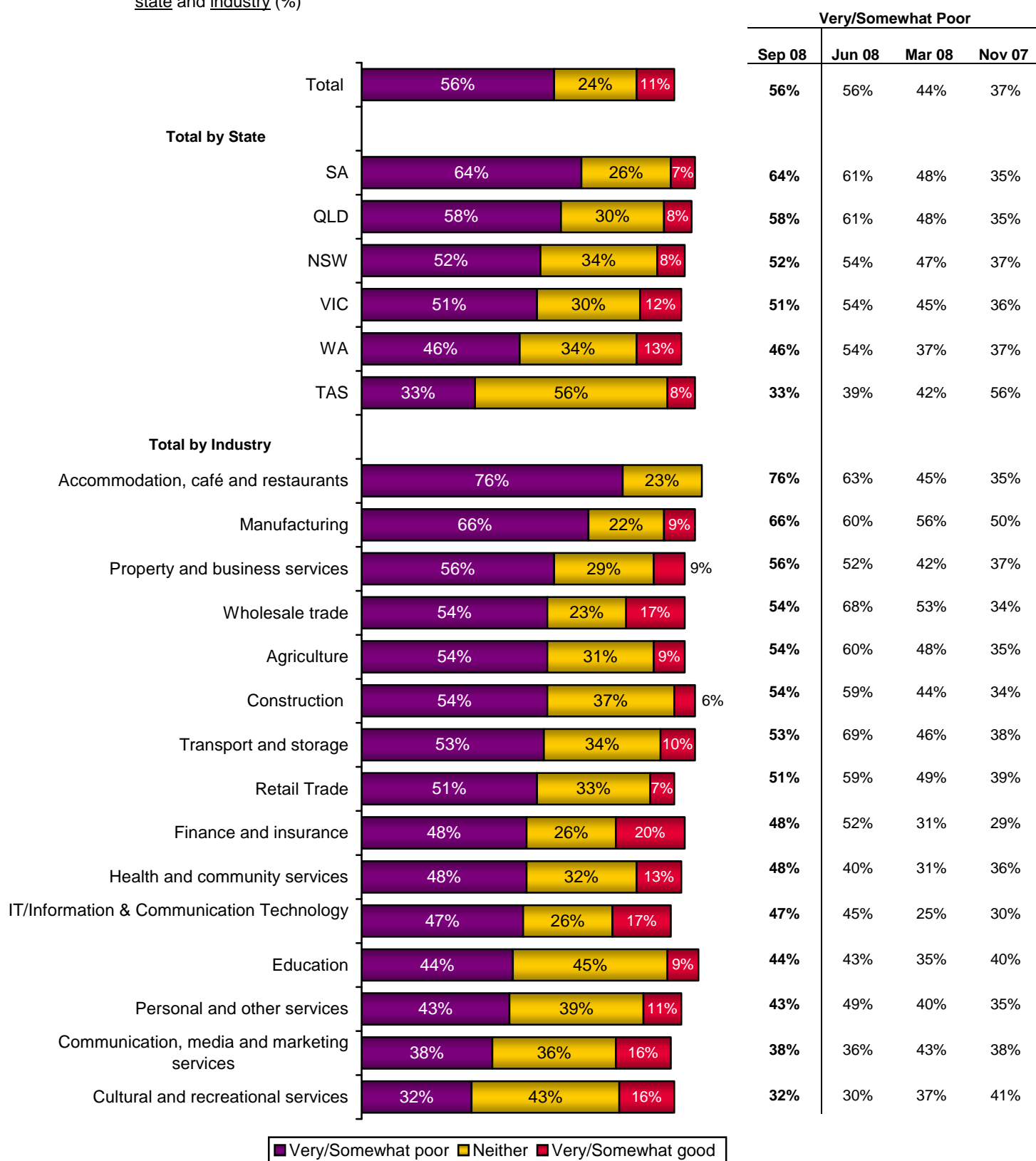
Those industries that are the most pessimistic regarding the future of the Australian economy are Agriculture (64%), Manufacturing (55%) and Wholesale Trade (55%) with the highest levels of 'worse than now' reporting.

Note: Surveying for this report took place prior to the current economic issues.

## Perceptions of Federal Government performance

**Over half (56%) of small business owners surveyed reported a poor performance by the Federal Government**

Figure 5: Federal Government's contribution to the development of small business in Australia by state and industry (%)



Base: small business owners (n=1462)

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

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AMR Interactive, October 2008

When asked to comment on the current performance of the Federal Government in contributing to the development of small business in Australia, 56% of small business owners surveyed reported a very or somewhat poor performance. This is exactly the same result as June 2008 and an increase from both March 2008 and November 2007.

While SA reported a 4% increase in small businesses who reported the Federal Government's contribution as somewhat or very poor, all other states saw a decline in positive perceptions (some as little as 2%), with the lowest levels of negative reporting found in WA with a 8% decrease from 54% in June 2008 and TAS with a 6% decrease from 39% in June 2008.

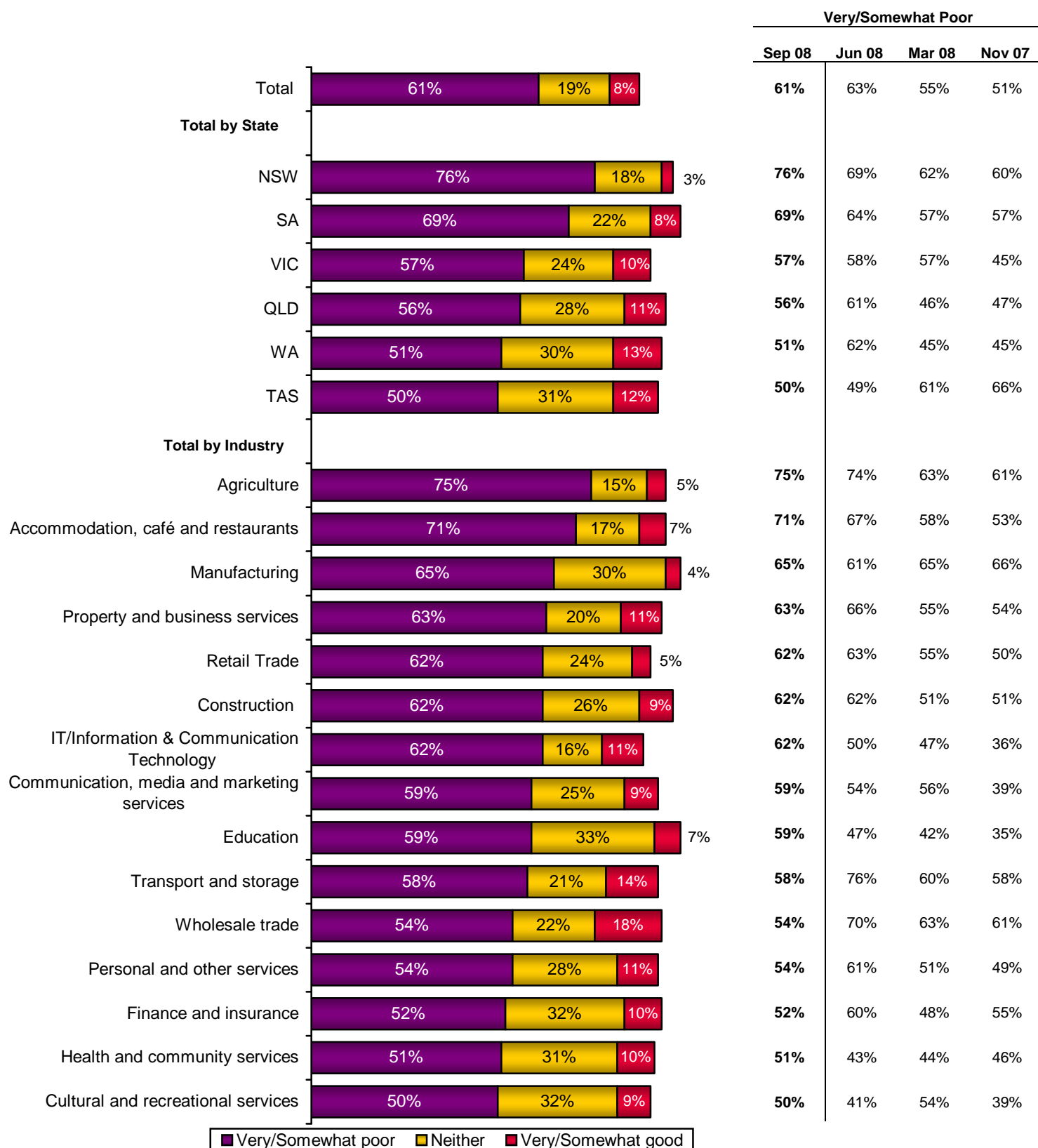
In regards to industry, there was a range of shifts in performance reviews, with the highest levels of poor performance coming from small businesses in the Accommodation, Café and Restaurant sector, with 76% reporting a poor performance, which is an increase of 13% since June 2008. This sector has displayed a continual increase in poor performance reporting since November 2007. This is followed by small businesses in the Manufacturing sector with an increase of 6% from 60% in June 2008 to the current September 2008 results of 66%. The Health and Community Services sector also saw an increase of 8% in poor performance.

There was a decline in the levels of poor performance reporting by small businesses in a number of industries, namely the Transport and Storage sector which had a decrease of 16% and the Wholesale Trade sector which had a 14% decrease from June 2008. Retail Trade had an 8% decrease while Agriculture and Personal and Other Services had 6% decreases. Overall, the most favourable industry to the Federal Government's performance is Cultural and Recreational Services with only 32% of small business owners surveyed reporting a poor performance, which is consistent with June 2008.

## Perceptions of State Government performance

### Sixty-one percent of small business owners surveyed reported a poor performance from the State Government

Figure 6: State Government's contribution development of small business by state and industry (%)



Base: Small business owners (n=1462)

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

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AMR Interactive, October 2008

Since June 2008 there has been a 2% decline in the levels of small business owners reporting poor performance by the State Government, from 63% to the current 61%. The most poorly perceived State Government is that of NSW with 76% of small business owners surveyed reporting a poor performance, which is an increase of 7% from June 2008, and only 3% reporting a somewhat or very good performance. The results for NSW are consistent with a continual increased in perceived poor performance across the quarters. This is followed by SA where 69% reported a poor performance and only 18% good performance.

TAS is currently the most favourable to their State Government with 50% of small business owners reporting a poor performance, and WA with 51% reporting a poor performance. WA also showed an 11% increase in positive reporting since June 2008.

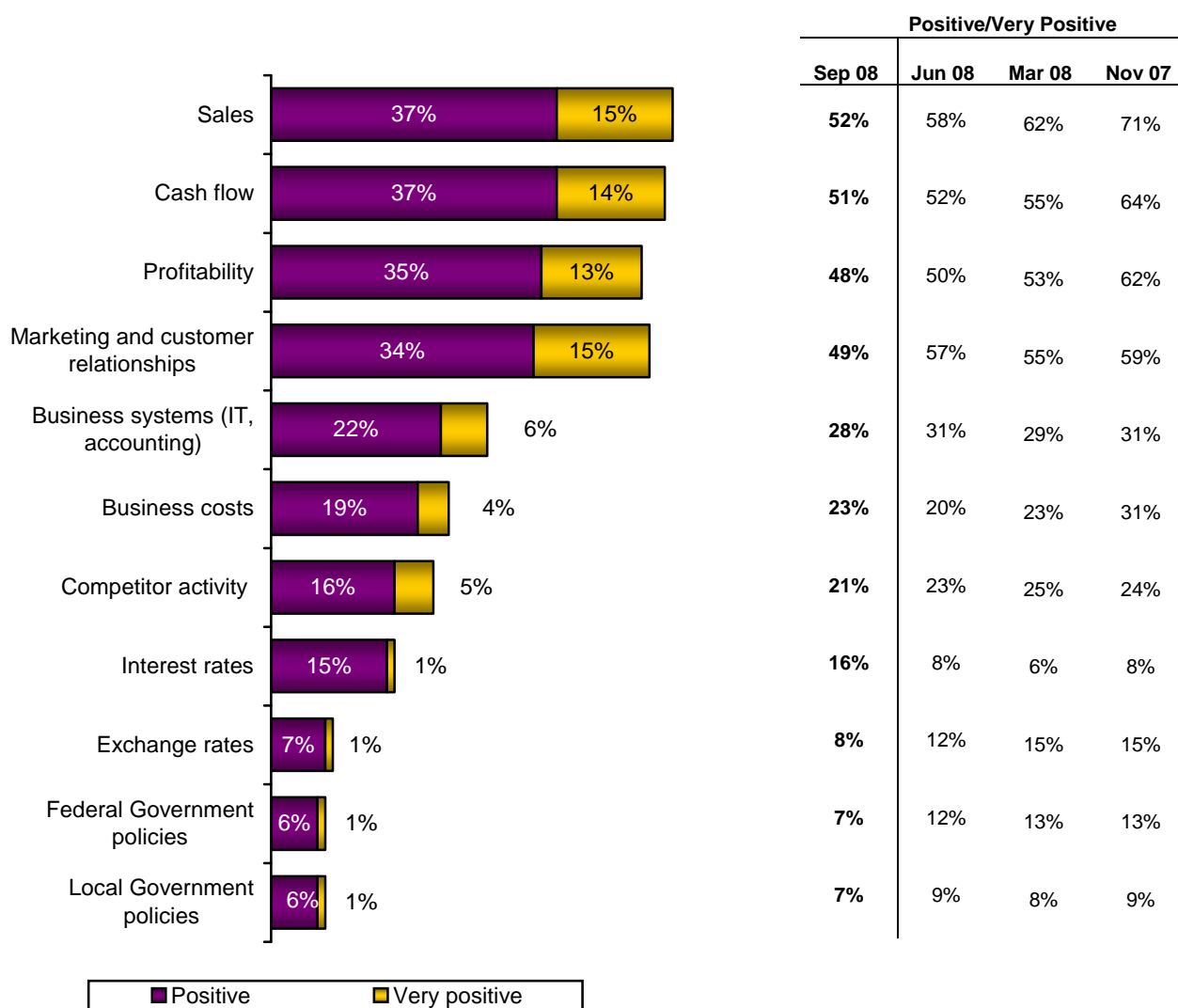
In regards to industry results, Agriculture is the most unfavourable industry to the State Government with 75% of small business owners reporting poor performance, followed by Accommodation, Café and Restaurants with 71%.

There are a number of shifts within industry results since June 2008, with a number of industries reporting higher levels of poor/very poor performance. This was seen in the Accommodation, Café and Restaurants (14% increase), Communications, Media and Marketing Services (13% increase), Education (12% increase), Cultural and Recreational Services (9% increase) and IT/Information & Communication Technology and Health and Community Services (both 9% increase). Decreases in poor/very poor performance reporting were also seen with Transport and Storage services (18% decrease), Wholesale Trade (16% decrease), Finance and Insurance (8% decrease) and Personal and Other Services (7% decrease).

## Outlook for specific business issues (positive)

### Small business owners surveyed are positive on the outlook for Sales

Figure 7: Small businesses with positive outlook on specific issues (%)



Base: Small business owners (n= 1462)

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 = very negative outlook, 2 = somewhat negative outlook, 3 = neutral, 4 = somewhat positive outlook and 5 = very positive outlook.

(If this is not applicable to your business, select 6)

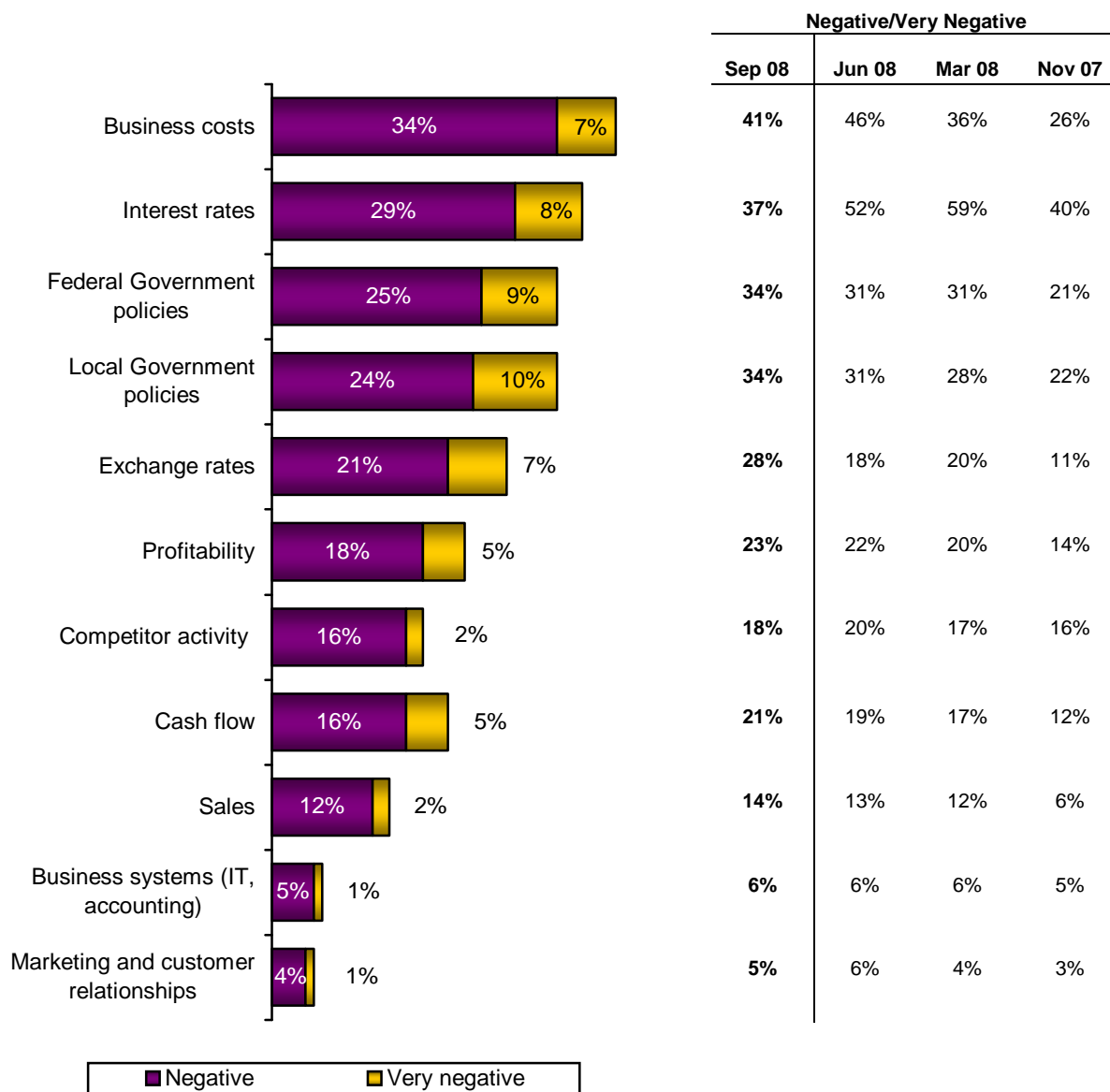
AMR Interactive, October 2008

When faced with a number of issues that their business must deal with over the next 12 months, small business owners surveyed reported the most positive outlook for Sales (52%), Cash Flow (51%), Marketing and Customer Relationships (49%) and Profitability (48%). Sales continue to remain the most positively perceived issue among small business owners.

## Outlook for specific business issues (negative)

### Business costs are the most negatively received business issue

Figure 8: Small businesses with negative outlook on specific issues (%)



Base: Small business owners (n=1462)

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 = very negative outlook, 2 = somewhat negative outlook, 3 = neutral, 4 = somewhat positive outlook and 5 = very positive outlook. (If this is not applicable to your business select 6)

AMR Interactive, October 2008

Since June 2008, Business Costs (currently 41%) have overtaken Interest Rates (currently 37%) as the issue with the most negative outlook for small business owners. This is followed by Federal Government Policies and Local Government Policies (both 34%).

**Outlook for business revenue**

**Just over half (53%) of small business owners surveyed believe their business revenue will increase in the next 12 months**

Figure 9: Outlook for own business revenue in the next 12 months (%)

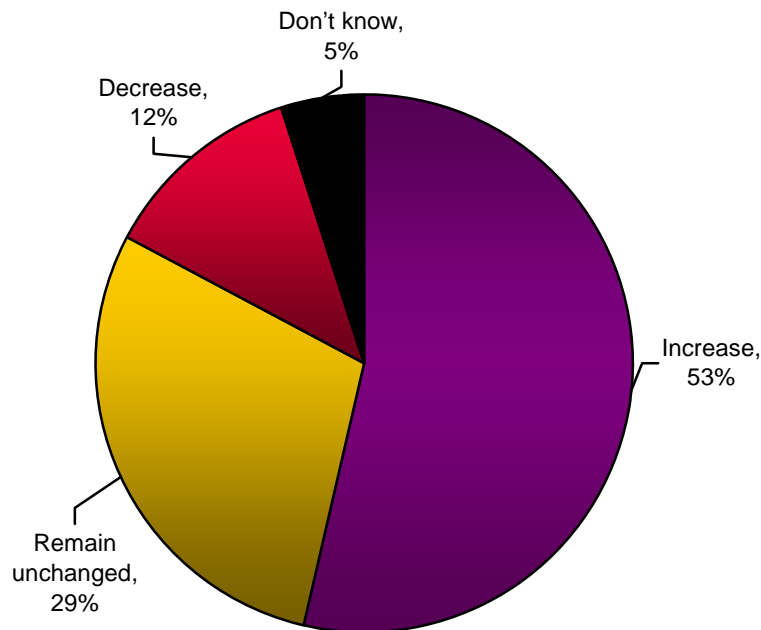


Figure 9.1: Outlook ('increase') for own business revenue in the next 12 months by state (%)

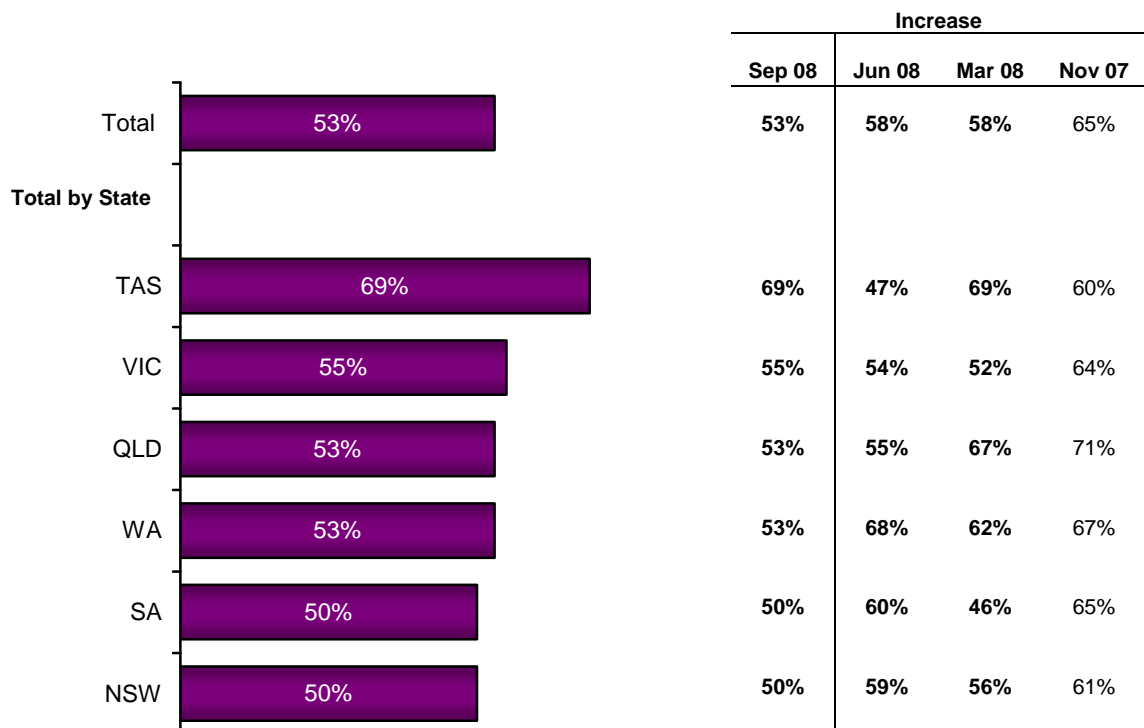
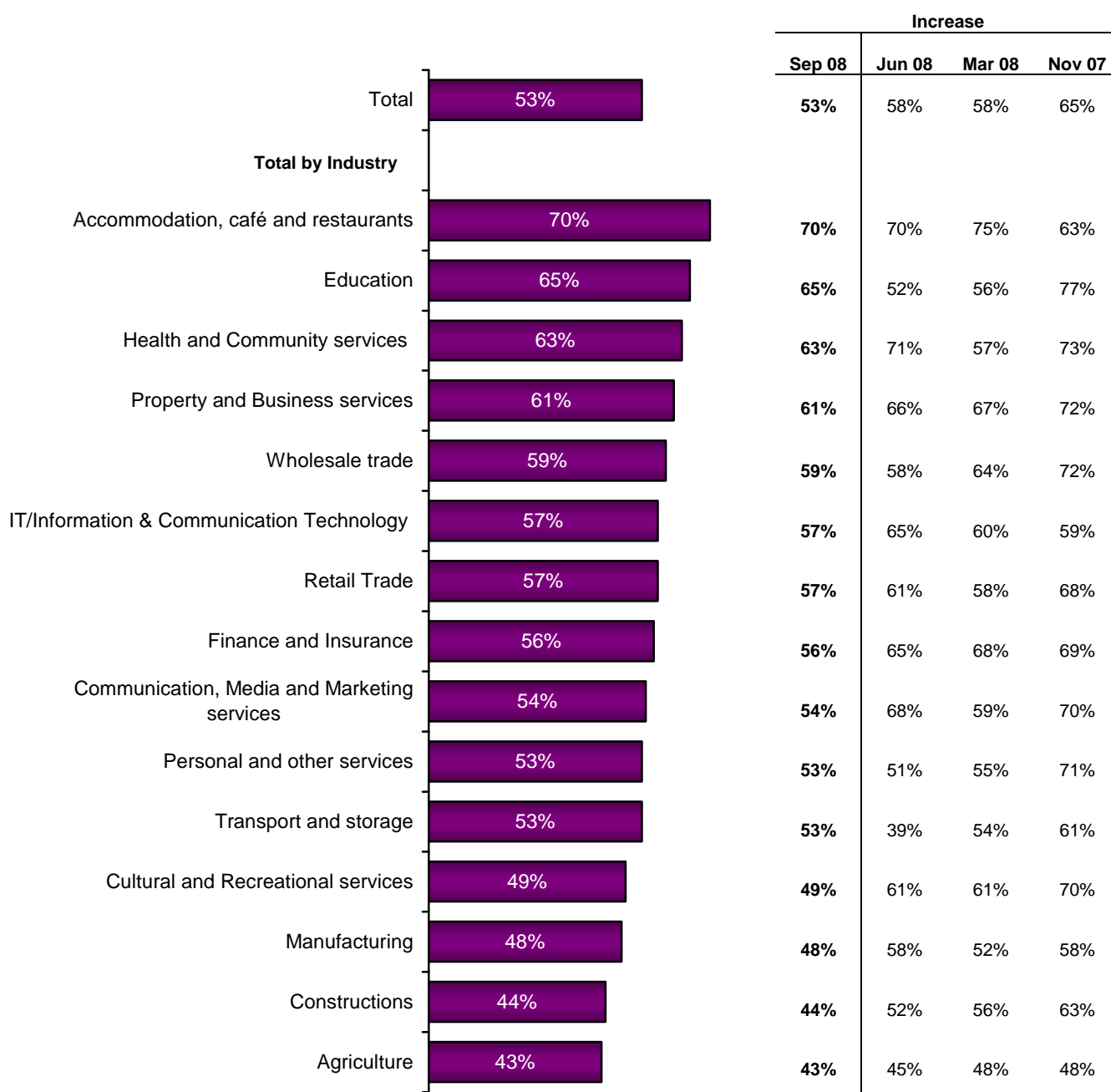




Figure 9.2: Outlook ('increase') for own business revenue in the next 12 months by industry (%)



Base: Small business owners (n=1462)

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

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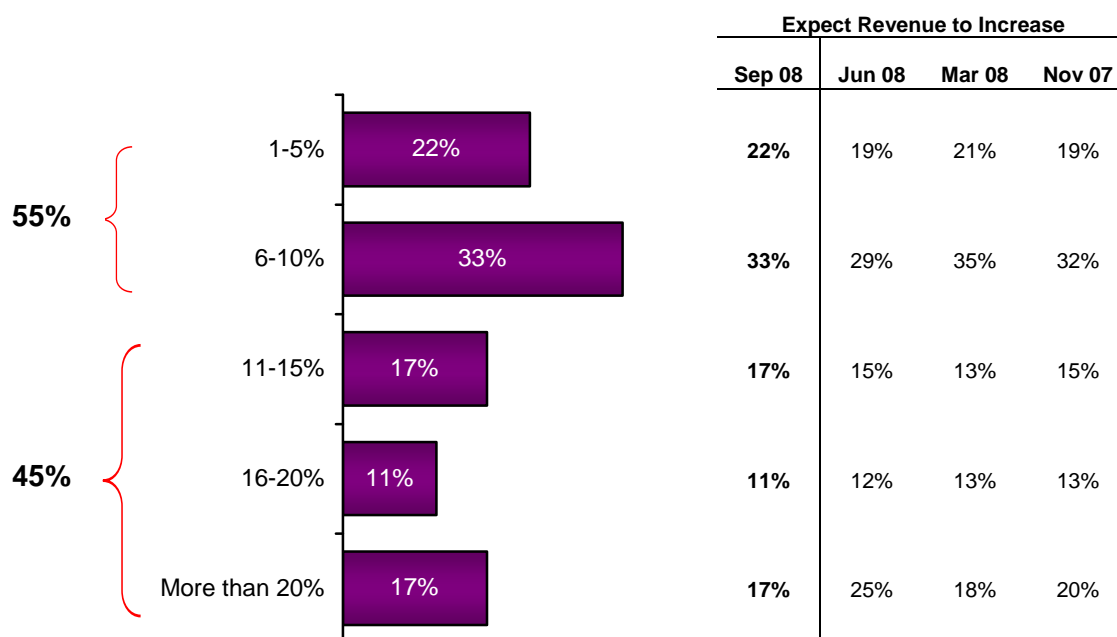
Just over half (53%) of small business owners surveyed expect their business revenue to increase over the next 12 months, 29% expect it to remain unchanged, and 12% expect a decrease in revenue over the next 12 months.

TAS shows the largest levels of expected increase with 69%, which is an increase of 22% from June 2008. While industry results indicate that small business owners in the Accommodation, Café and Restaurants (70%), Education (65%) and Health and Community Services (63%) sectors are those most likely to expect an increase in revenue over the next 12 months.

## Expectations for increases in business revenue

**Of those small business owners who expect their revenue to increase in the next 12 months (53%), over half (55%) report an expected increase in revenue of between 1% and 10%**

Figure 10: Percentage of increases in own business revenue in the next 12 months (%)



Base: Small business owners that expect their revenue to increase in the next 12 months (n=778)

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

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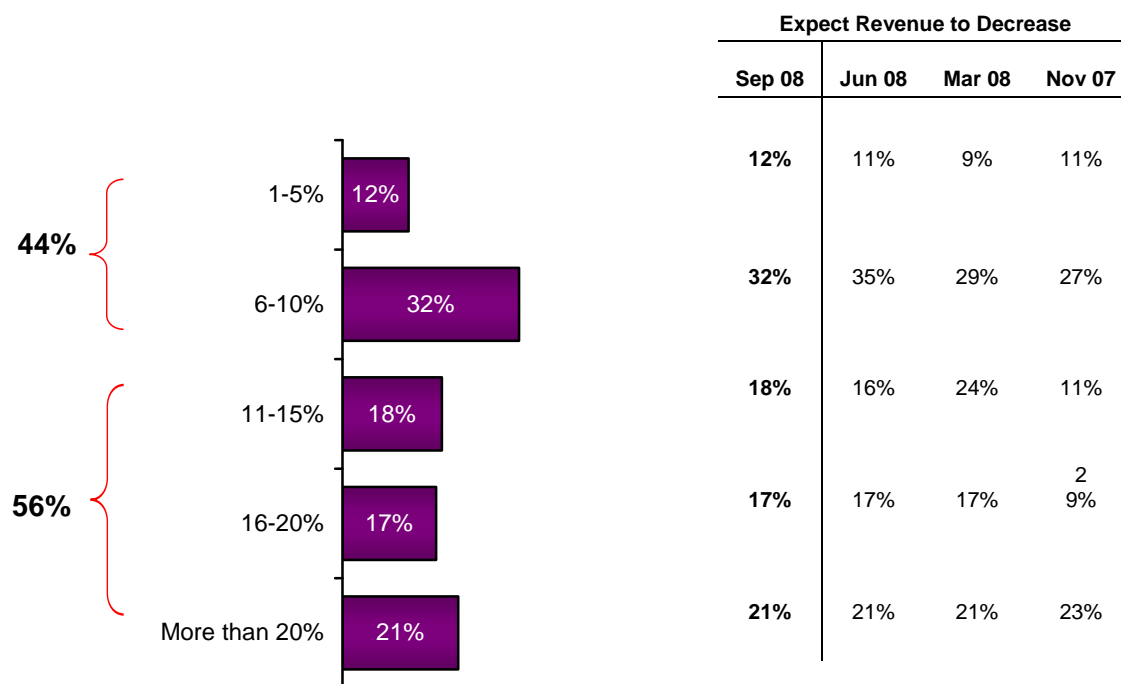
From the small business owners who expect their revenue to increase in the next 12 months, 55% report that this expected increase will be between 1%-10%, with 33% of these respondents reporting a 6%-10% increase.

Of those small business owners who report an expected increase of over 10%, 17% report expected increases for both 11%-15% or More than 20% and 11% for 16-20% increase. Those small business owners who reported the largest amount of increase has decrease since June 2008 by 8%, but is inline with the figures reported in March 2008 and November 2007.

## Expectations for decreases in business revenue

**Of those small business owners who expect a decrease in business revenue over next 12 months (12%), 56% report an expected decrease of over 11% in revenue**

Figure 11: Percentage of decreases in own business revenue in the next 12 months (%)



Base: Small businesses that expect their revenue to decrease in the next 12 months (n=179)

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

AMR Interactive, October 2008

Of those small business owners surveyed who reported an expected decrease in business revenue over the next 12 months (12%), the most common amount reported is between 6%-10%. Overall, a total of 56% reported that this decrease would be over 11%. Of these respondents, 21% reported that this decrease in revenue would in fact be over 20%. These figures are all consistent with that of previous quarters.

## Expectation of investing in own business

**Just under one-third (29%) of small business owners plan on investing in their business to help it grow**

Figure 12: Expectation of investing in own business in the next 6 months (%)

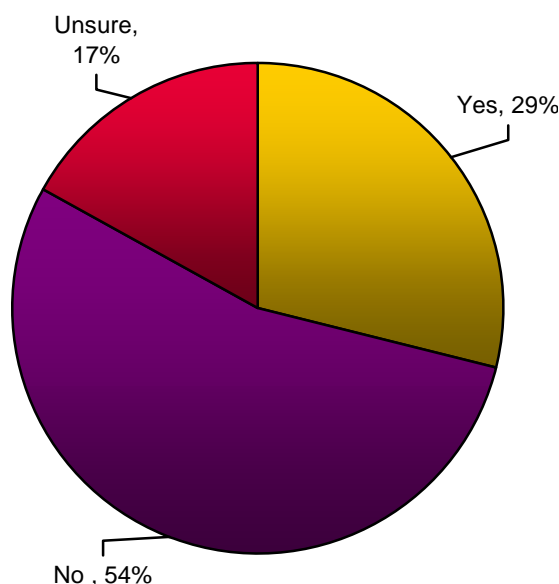
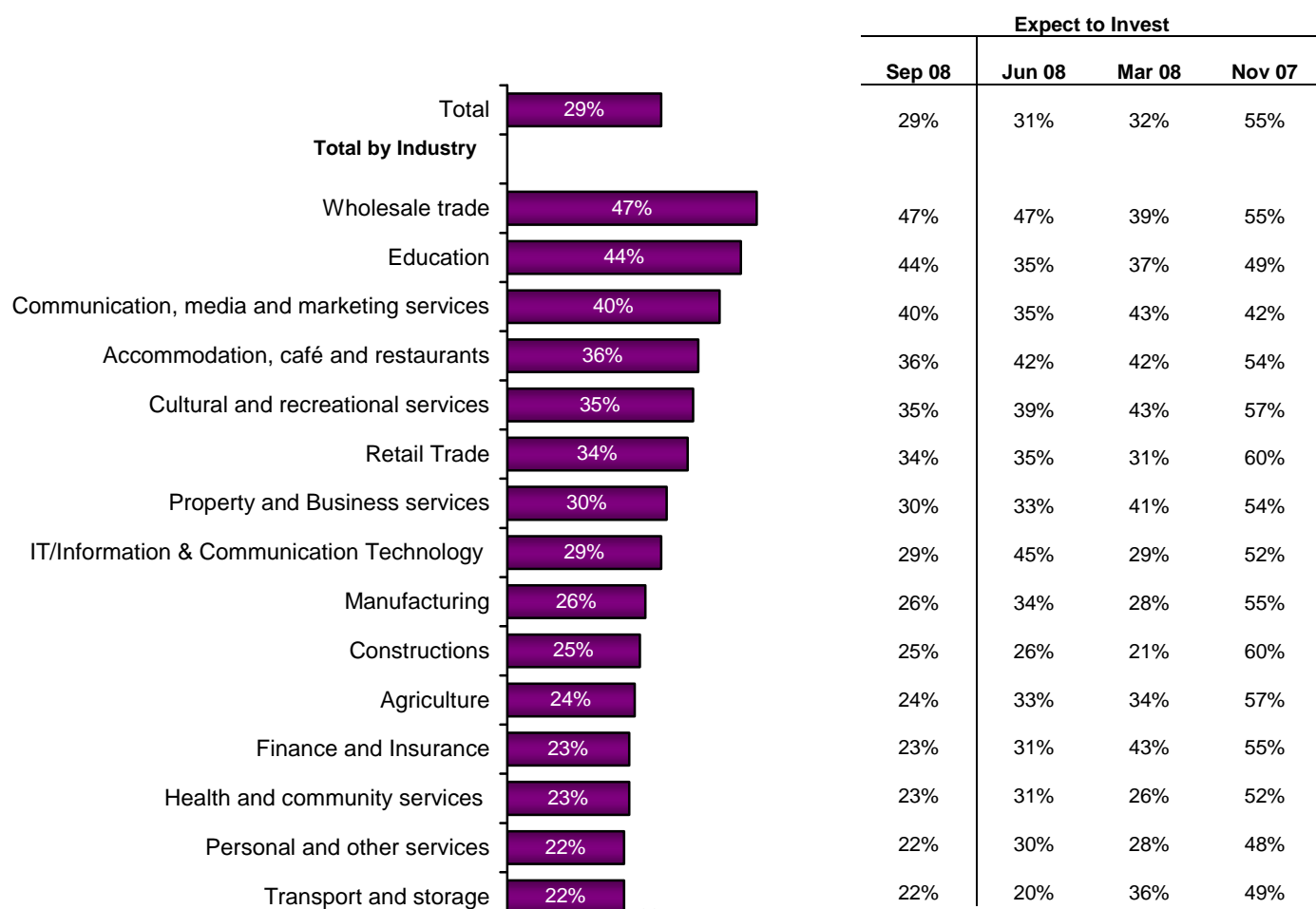


Figure 12.1: Expectation of investing in own business in the next 6 months by industry (%)



Base: Small business owners (n=1462)

Q: Within the next 6 months, do you expect to invest money in order to help your business grow?

AMR Interactive, October 2008

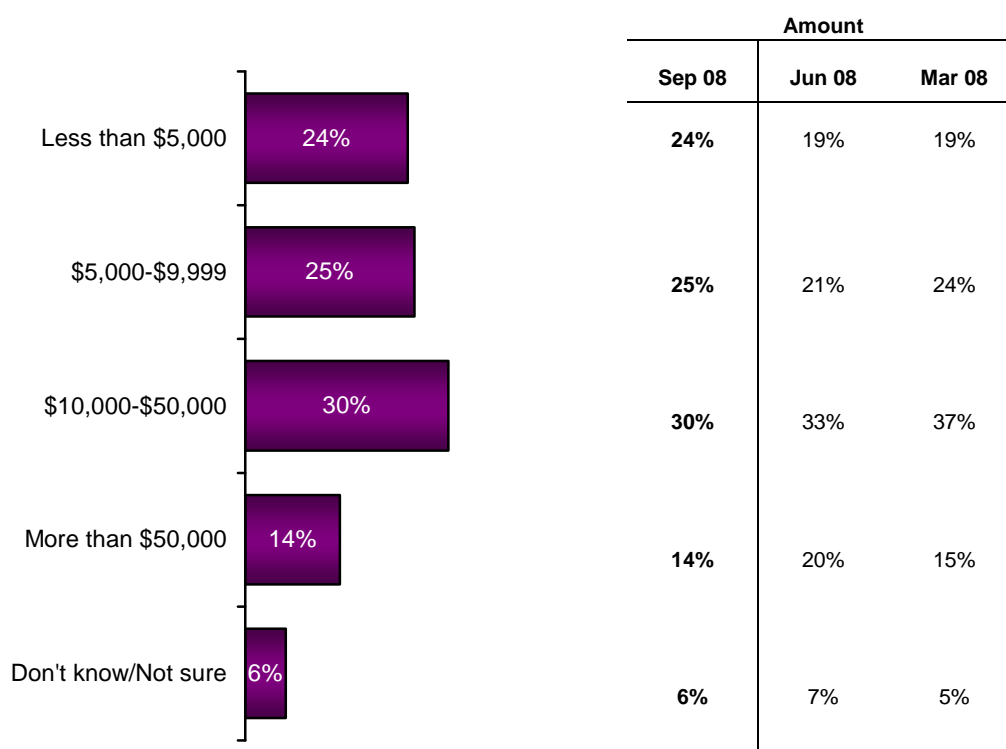
While 54% of small businesses owners do not plan on investing in their business over the next 6 months, 29% do report that they do intend to invest money to help grow their business.

Small business owners in the Wholesale Trade (47%), Education (44%) and Communication, Media and Marketing Services (40%) industries are the most likely to invest in their businesses. Those small business owners least likely to invest in their business are those in the Transport and Storage (22%), Personal and Other Services (22%), Health and Community Services (23%) and Finance and Insurance (23%). There were a number of industry declines in the likelihood of small business owners to invest since June 2008 with the biggest drop in the IT/Information & Communication Technology sector (16% decline).

### Expected amount of investment in own businesses

**Of those small business owners who plan to invest in their business over the next months, the most common amount of an intended investment is between \$10,000-\$50,000 (33%)**

Figure 13: Expected amount of investment in small business (%)



Base: Small business owners who intend on investing money in their business (n=419)  
 Q: Approximately how much do you expect to invest in the next 6 months to help grow your business?

AMR Interactive, October 2008

From the small business owners who plan on investing in their business over the next 6 months, 79% intend to invest under \$50,000. Of these respondents, 33% intend to invest between \$10,000 and \$50,000. These reported investment amounts have increased in the lower amounts (under \$9,999) by 9% since June 2008.

**Intention of employing or reducing staff**

**Almost one-fifth (17%) of small businesses intend on hiring in the next 12 months**

Figure 14: Expectation of hiring or reducing employees within the next 12 months (%)

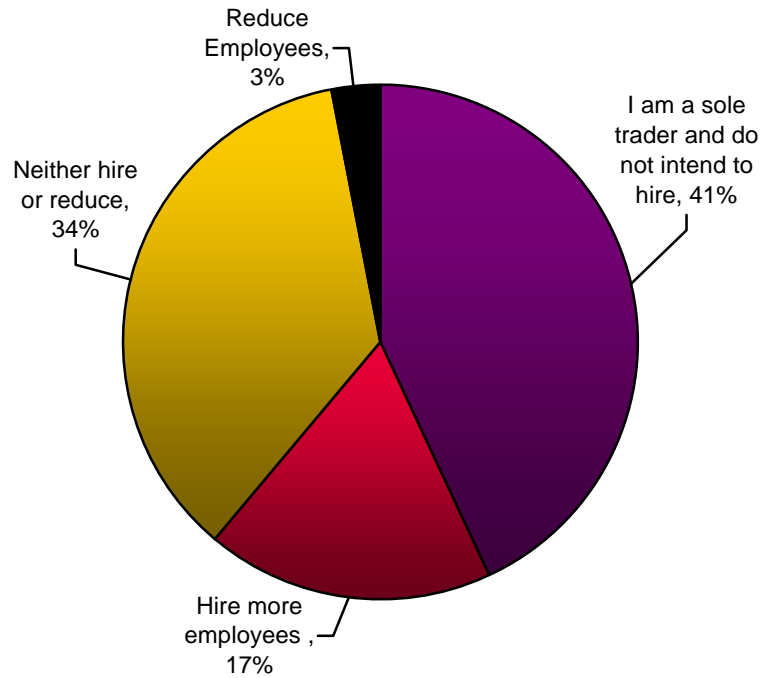


Figure 14.1: Expectation of hiring employees within the next 12 months by business size (%)

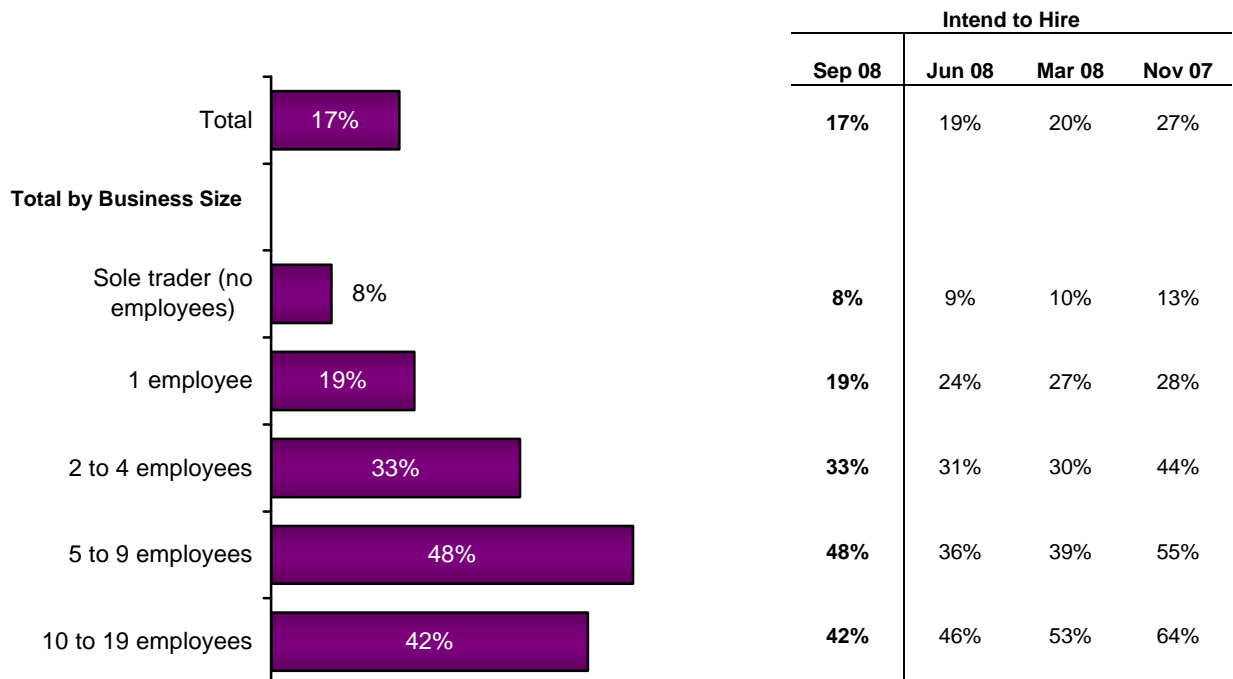
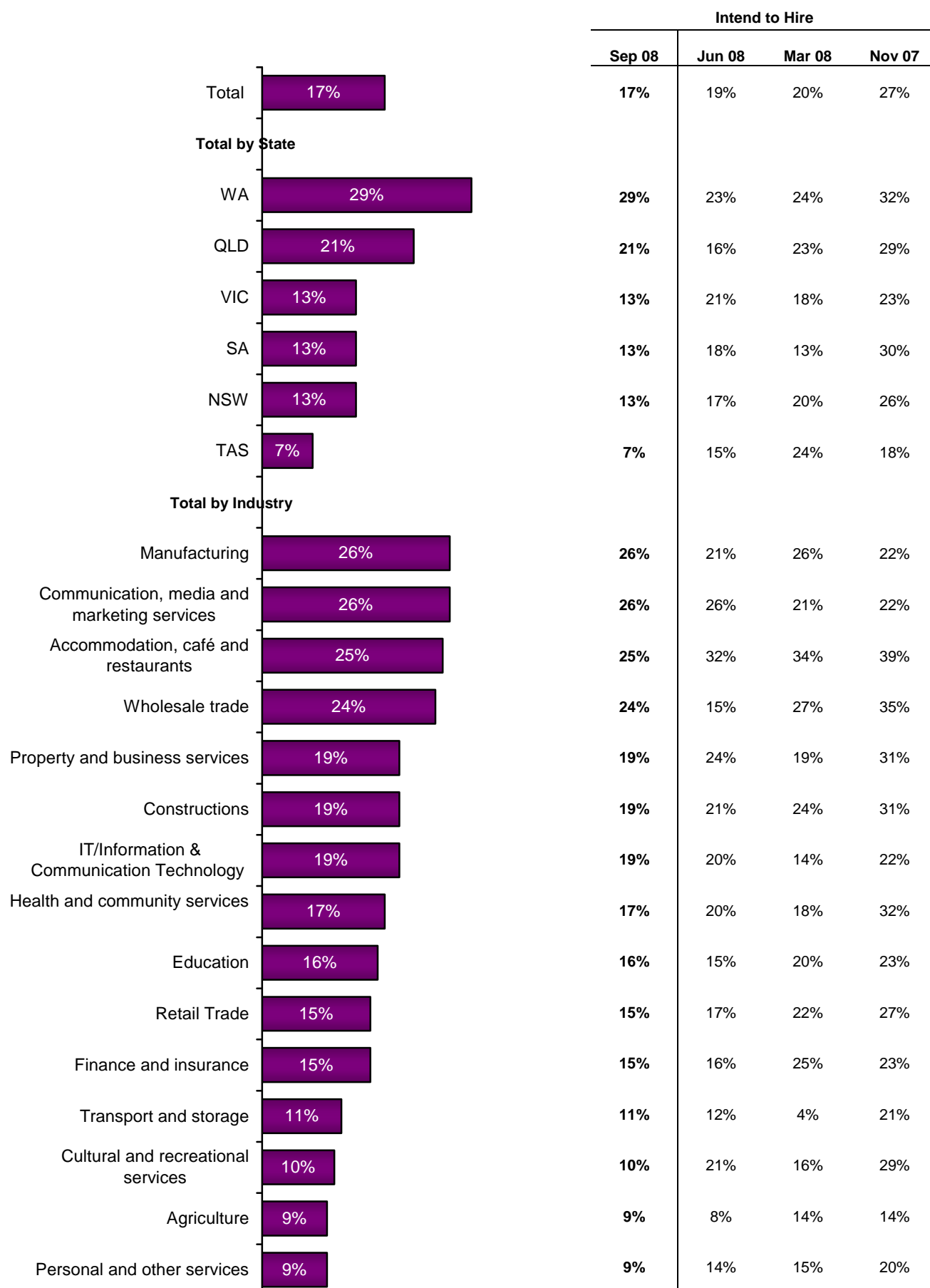


Figure 14.2: Expectation of hiring employees within the next 12 months by state and industry (%)





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Base: Small business owners (n=1462)

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

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AMR Interactive, October 2008

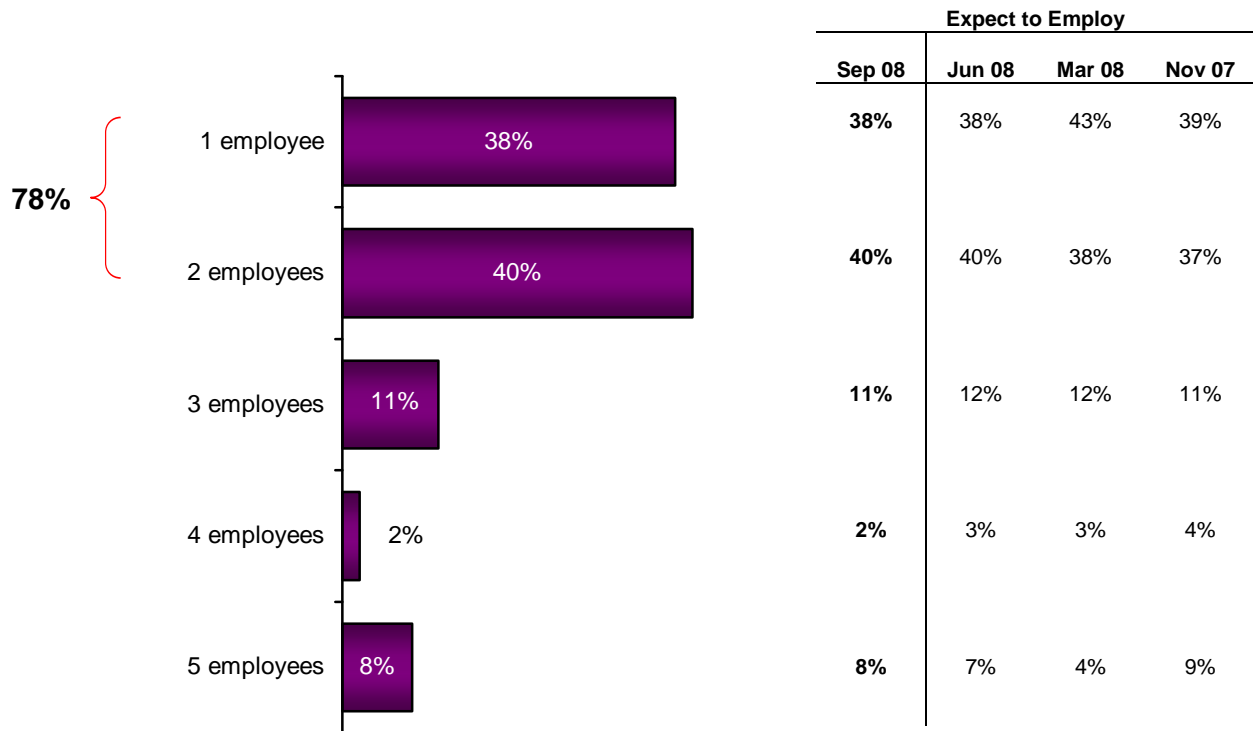
Only 3% of small business owners surveyed intend to reduce the number of employees in their business over the next 12 months, while 17% intend on hiring more employees. Consistent with previous trends, those small businesses with an already higher number of employees (over 2) are more likely to hire than those with one employee or sole traders.

Small businesses in WA (29%) are most likely to be hiring, followed by QLD (21%). Small businesses in TAS (7%) are the least likely to be hiring in the next 12 months. In regards to industry, small businesses in the Manufacturing and the Communication, Media and Marketing (both 26%) sectors are the most likely to hire. Small businesses in the Agriculture and Personal and Other Services (9%) are the least likely to hire within the next 12 months.

**Expectations for employment**

**Of those small business owners who intend to hire (17%), 78% intend to hire 1 or 2 employees**

Figure 15: Number of employees intended to hire over the next 12 months (%)



Base: Small business owners that expect to hire more employees in the next 12 months (n=245)  
 Q: How many employees do you intend to hire in the next 12 months?

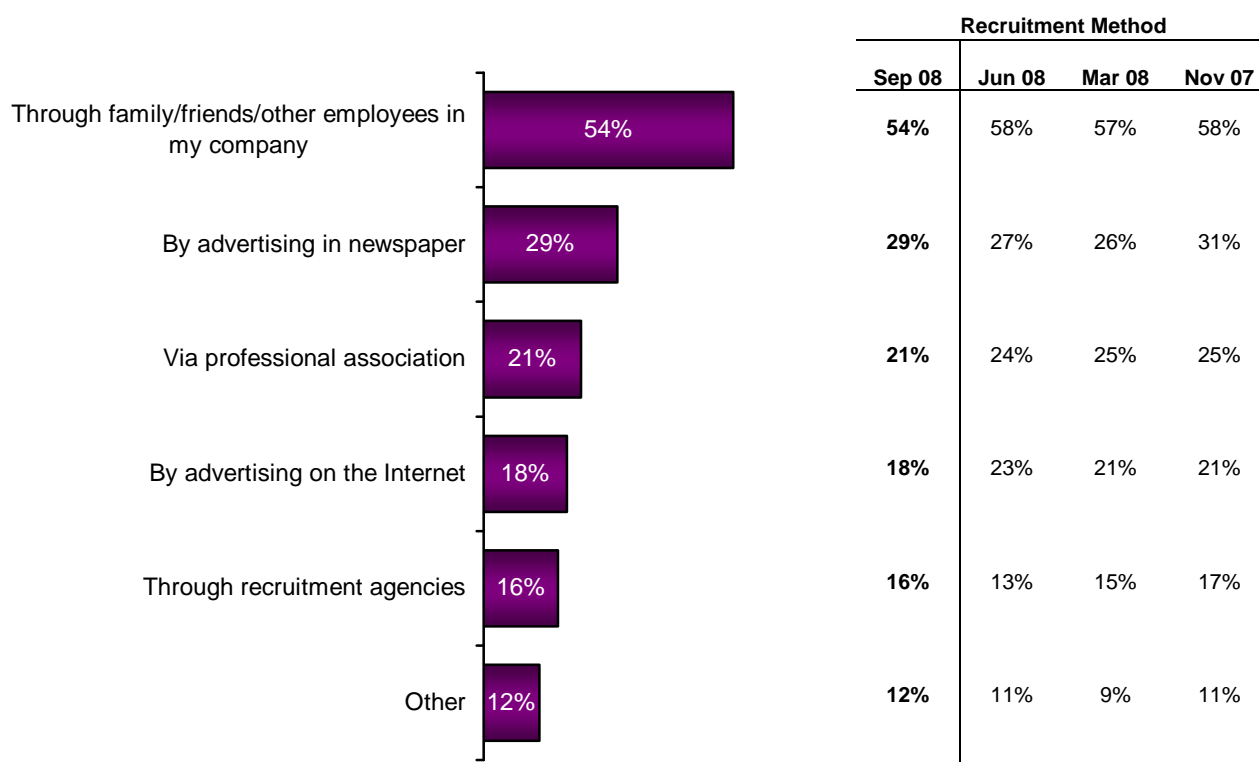
AMR Interactive, October 2008

Of those small business owners who do intend on hiring more employees over the next 12 months (17%), 78% intend on hiring either 1 or 2 employees.

## Preferred method of recruitment

**Of those small business owners that have one or more employees, over half (54%) recruit potential employees through friends, family and other employees**

Figure 16: Method of seeking employees (%)



Base: Small businesses that have one or more employees (n=859)

Q: How do you find your employees? (Multiple responses)

AMR Interactive, October 2008

For small business owners with one or more employees, the most commonly used channel for finding new employees by small businesses is through friends, family and other employees (54%), followed by advertising in newspapers (29%). Small business owners are least likely to use recruitment agencies (16%) as a way of finding new employees.

## Employee types

### The most common type of employee in small business is full-time

Table 2: Type of employees of small businesses (%)

Type of employees	Percentage of employees											
	0%				1%-33%	34%-66%	67%-99%	100%	Total 1%-100%			
	Sep 08	Jun 08	Mar 08	Nov 07	Sep 08	Sep 08	Sep 08	Sep 08	Sep 08	Jun 08	Mar 08	Nov 07
Full-time permanent	<b>56%</b>	59%	59%	28%	4%	7%	8%	22%	<b>41%</b>	38%	39%	68%
Part-time permanent	<b>84%</b>	85%	83%	70%	6%	3%	0%	3%	<b>12%</b>	12%	14%	28%
Contract	<b>90%</b>	89%	89%	77%	4%	2%	0%	2%	<b>8%</b>	9%	7%	22%
Casual	<b>83%</b>	83%	83%	66%	6%	4%	0%	4%	<b>14%</b>	15%	14%	31%
Other	<b>96%</b>	96%	84%	93%	0%	0%	0%	3%	<b>3%</b>	3%	16%	5%

Base: Small business owners (n=1462)

Q: What percentage of your employees are...full-time permanent, part-time permanent, contract, casual?

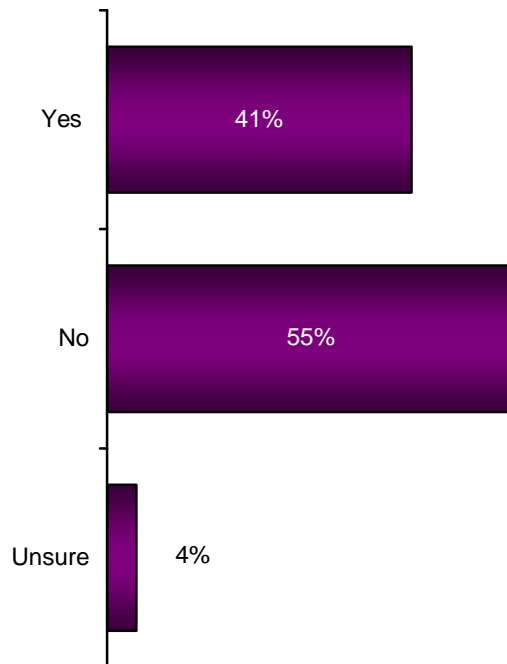
AMR Interactive, October 2008

The most common type of employee in small business is Full-time Permanent (41%), followed by Casual (13%) and Part-time Permanent (13%).

## Domain name registered

**Over half (55%) of small businesses do not have a domain name registered**

Figure 17: Business having domain name registered (%)



Base: Small business owners (n=1462)

Q: Does your business have a domain name registered?

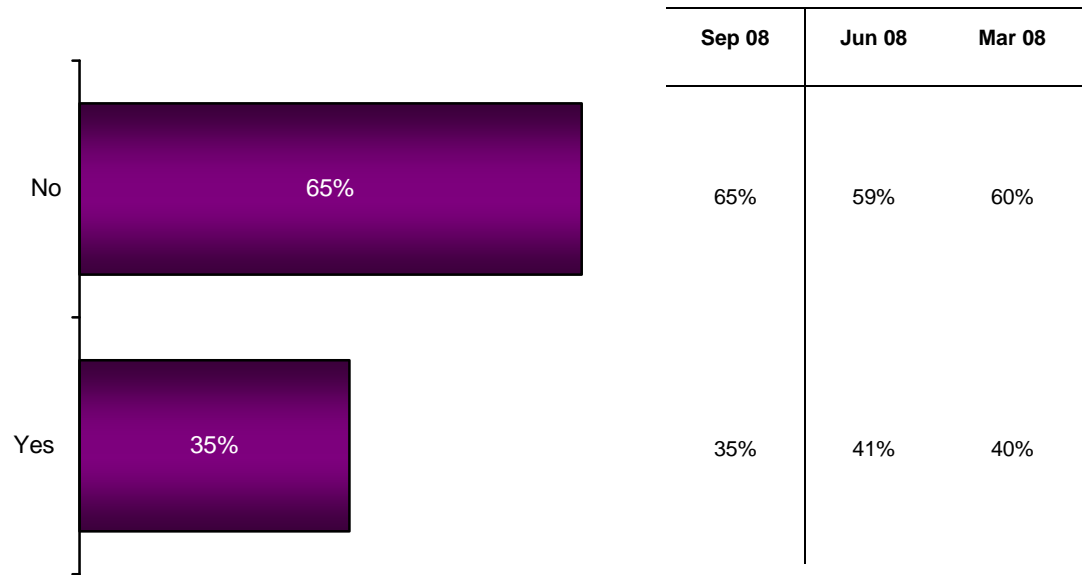
AMR Interactive, October 2008

55% of small businesses do not currently have a domain name registered.

**Business website**

**Over one-third (35%) of small businesses have a website**

Figure 18: Businesses with a website (%)



Base: Small business owners (n=1462)  
 Q: Does your business have a website?

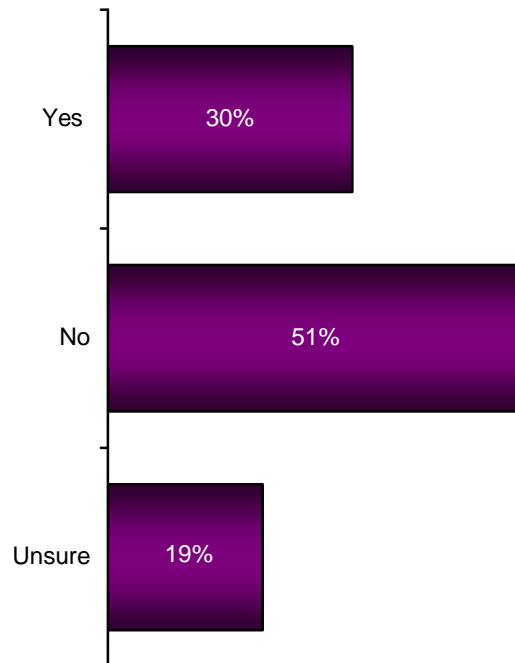
AMR Interactive, October 2008

65% of small businesses surveyed currently don't have a website.

## Consider setting up a website

**Of those small businesses without a website (65%), half (51%) have not considered setting one up**

Figure 19: Considered setting up a business website (%)



Base: Small business owners who do not currently have a website (n=947)

Q: Would you consider getting a website in the near future?

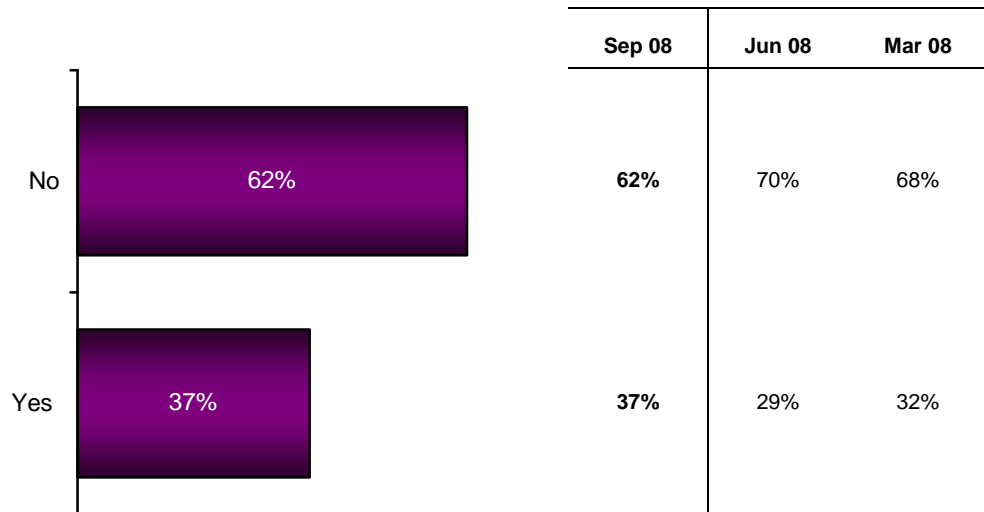
AMR Interactive, October 2008

Of the small businesses that do not have a website (65%), just over half (51%) have not considered setting up a website for their business.

**Selling on website**

**Of those small businesses with a website (35%), 37% sell goods or services on their website**

Figure 20: Selling goods/services via company website (%)



Base: Small business owners that do currently have a website (n=510)

Q: Do you sell goods or services via your website (e.g. an online shopping or e-commerce facility)?

AMR Interactive, October 2008

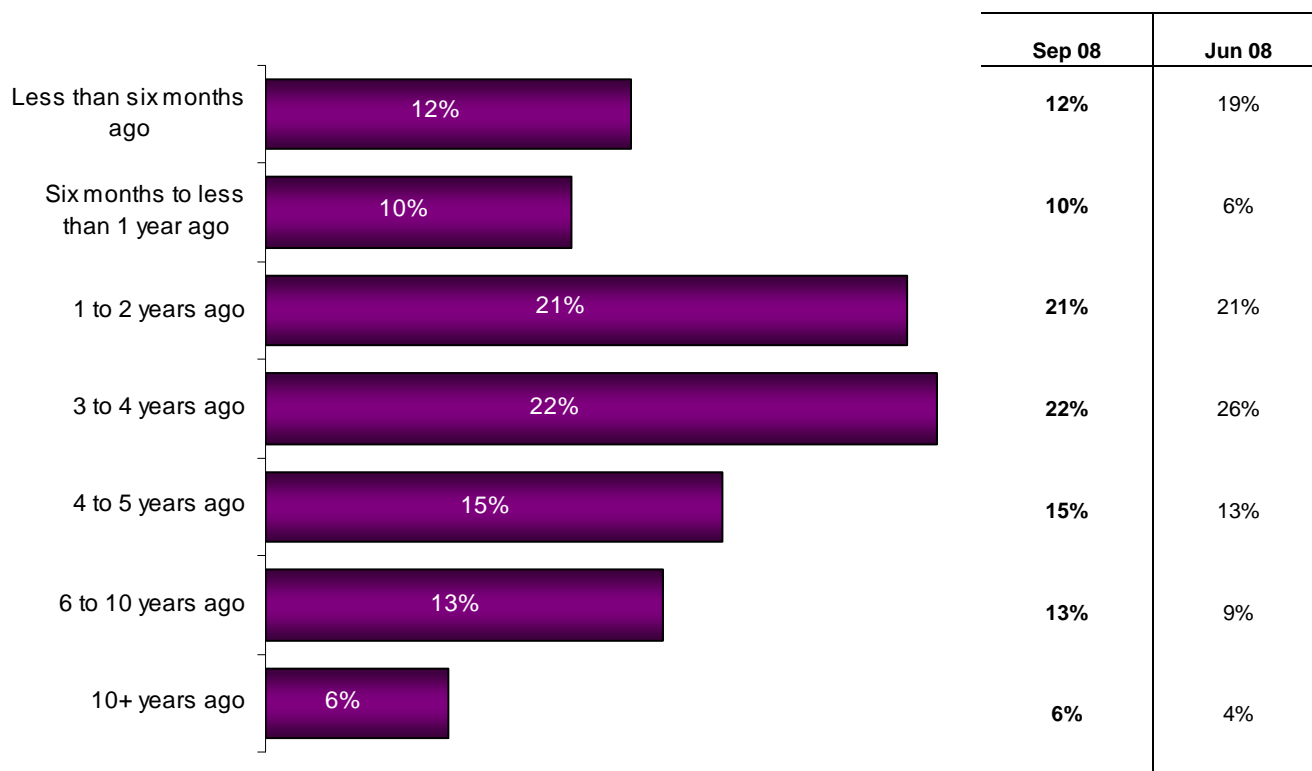
Of those small businesses that do currently have a website (35%), 37% currently sell goods or services through their website. This is an increase of 8% from June 2008 and 5% increase from March 2008.



## When was website established

**Of the small businesses that do have a website, most (65%) established their websites in the past 4 years**

Figure 21: How long ago was company website setup (%)



Base: Small business owners that do currently have a website (n=510)

Q: How long ago did you set-up a business website?

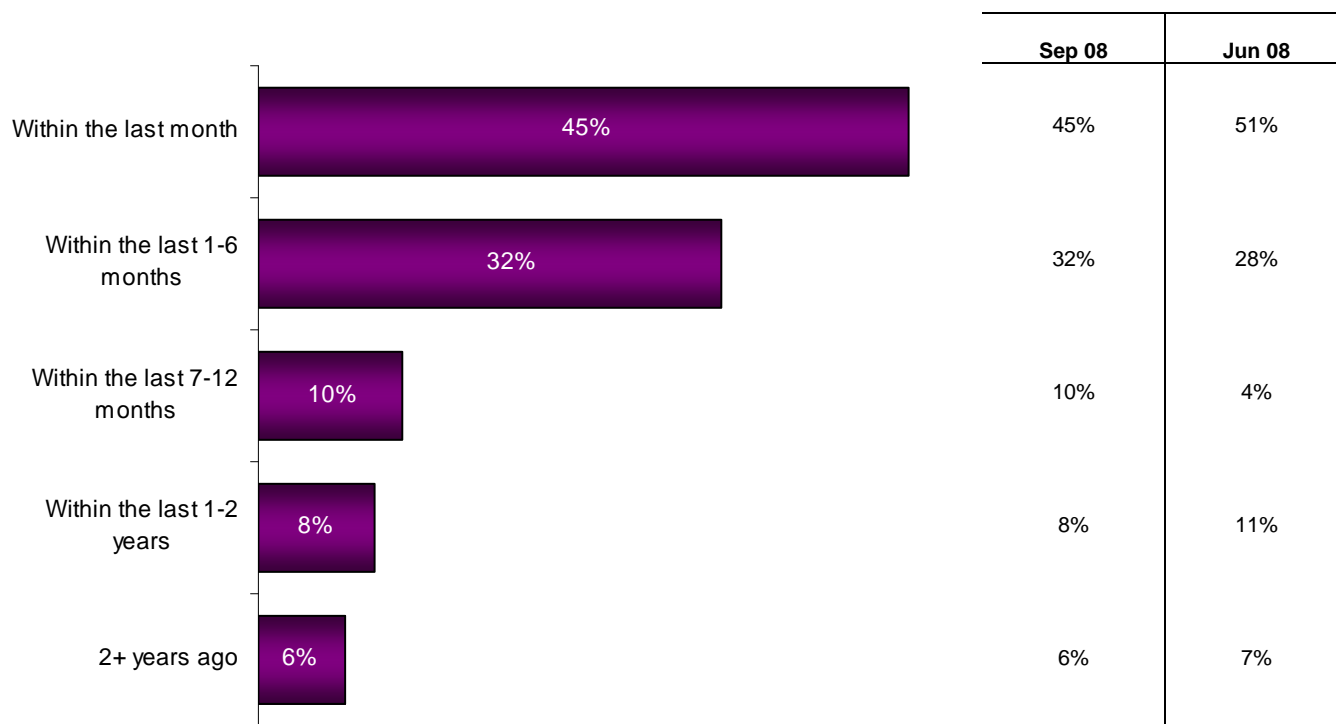
AMR Interactive, October 2008

From the small businesses surveyed that do have a website (35%), 43% set up their website between 1 and 4 years ago. A further 22% set up their website less than a year ago. A reported 34% of these business websites were established over 4 years ago, with 6% being more than 10 years ago.

## When was website last updated

**Just under half (45%) of small business owners (that have a website) updated their website within the last month**

Figure 22: How long ago was company website updated (%)



Base: Small business owners that do currently have a website (n=510)

Q: When did you last update or change your business website in some way?

AMR Interactive, October 2008

Those small business owners with websites appear to be updating their business websites fairly frequently with 45% having updated their site within the last month, and a further 32% updating within the last 1-6 months. Only 6% of small businesses with a website have not updated their website within the last 2 years.

## Appendix 1 – Preferred method of recruitment (additional breakdowns)

Table 3: Method of seeking employment additional breakdowns

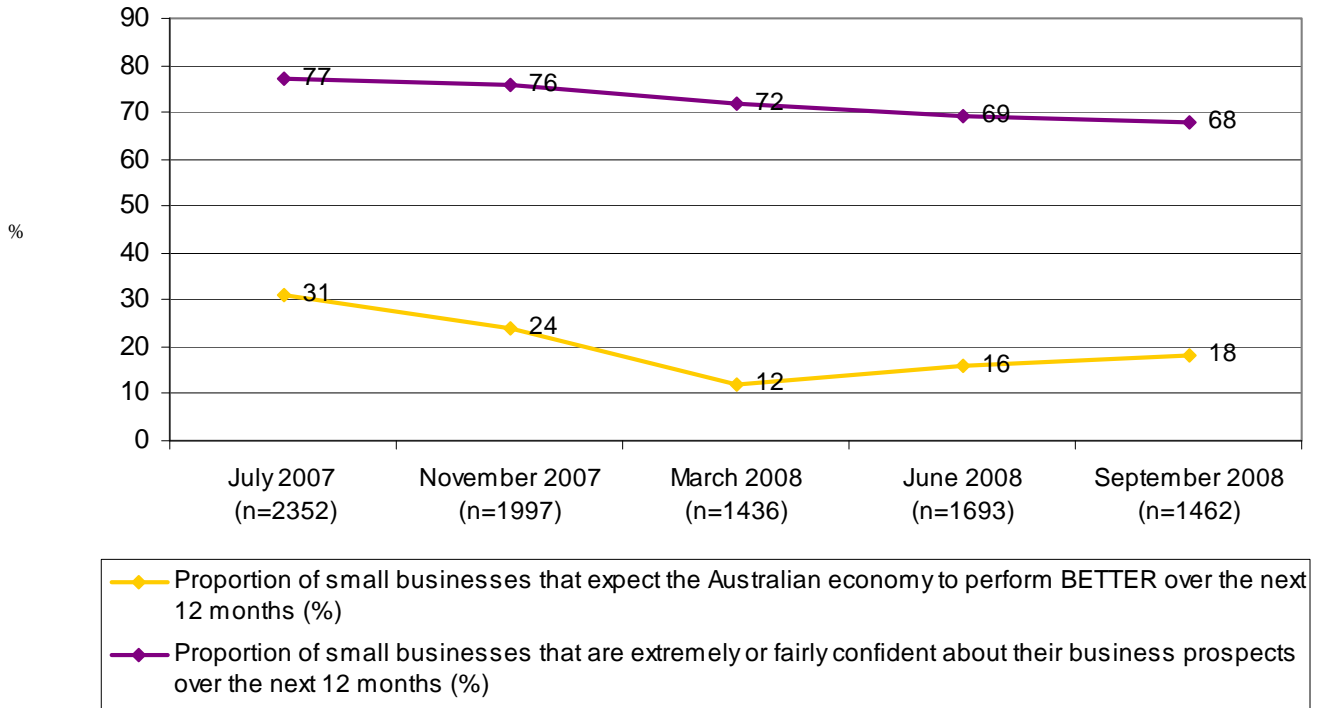
	Method of seeking employees					
	By advertising in newspapers	By advertising on the Internet	Through family/ friends/ other employees in my company	Via professional association	Through recruitment agency	Other
<b>Total</b>	29%	18%	54%	21%	16%	12%
<b>Total by Gender</b>						
Male	24%	17%	55%	18%	16%	12%
Female	34%	20%	53%	25%	17%	12%
<b>Total by Size of Business</b>						
Sole Trader (No employee)	19%	14%	49%	21%	9%	17%
1-4 Employee	26%	14%	56%	20%	175	11%
5 to 9 Employees	51%	31%	59%	285	25%	6%
10 to 19 Employees	52%	40%	50%	25%	30%	7%
<b>Total by State</b>						
NSW	25%	15%	52%	18%	16%	16%
VIC	26%	19%	54%	23%	12%	10%
QLD	38%	18%	48%	25%	22%	12%
SA	17%	12%	72%	17%	13%	9%
WA	32%	26%	62%	19%	14%	12%
TAS	11%	4%	52%	15%	10%	26%

Base: Small businesses that have one or more employees (n=859)  
 Q14: How do you generally find your employees? (Multiple responses)

AMR Interactive, October 2008

## Appendix 2 – Confidence in business & economy outlook

Figure 23: Small businesses' confidence in business prospects and expectations for the economic performance over 12 months time

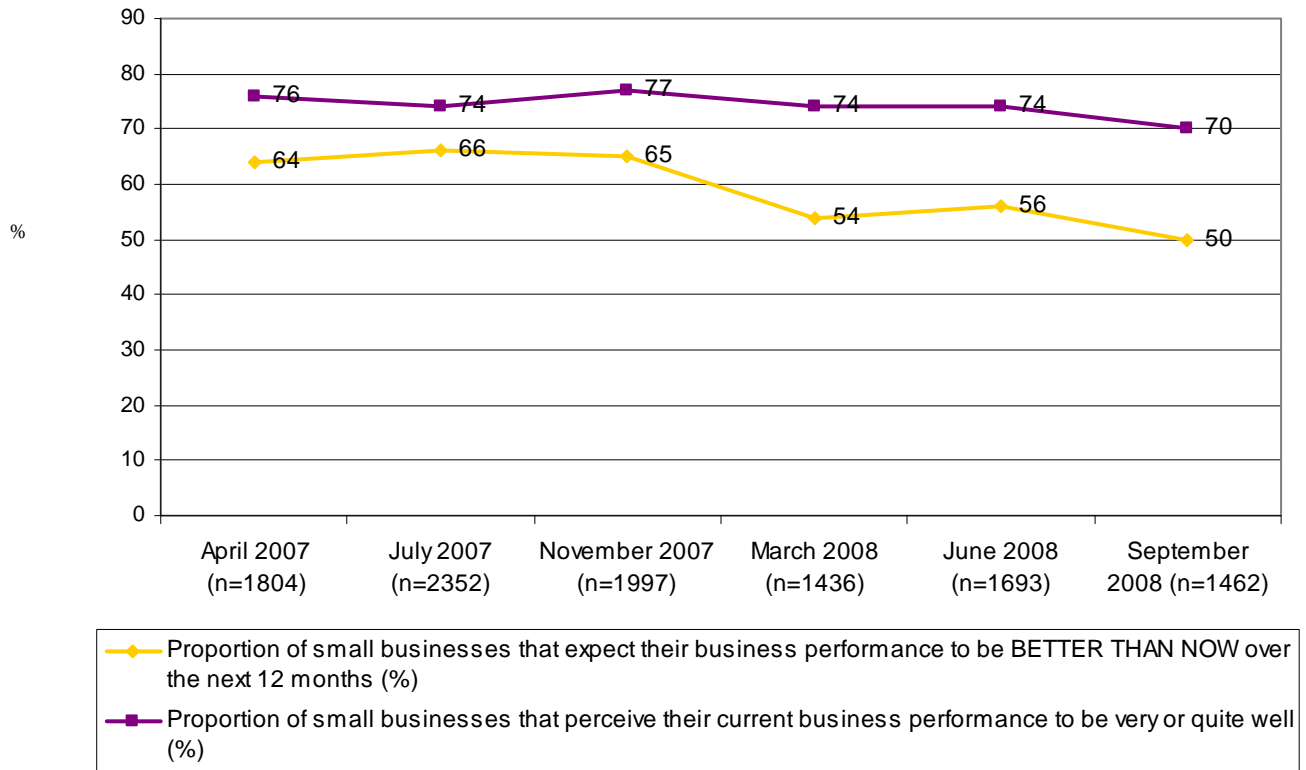


Base: Small business owners (1462)

AMR Interactive, October 2008

### Appendix 3 – Perceptions of current and future business performance

Figure 24: Small businesses' perceptions of their current and future business performance



Base: Small business owners (n=1462)

AMR Interactive, October 2008

## Appendix 4 – Positive & negative outlook for specific business issues

Figure 25: Proportion of small businesses with POSITIVE outlook for specific business issues over the next 12 months

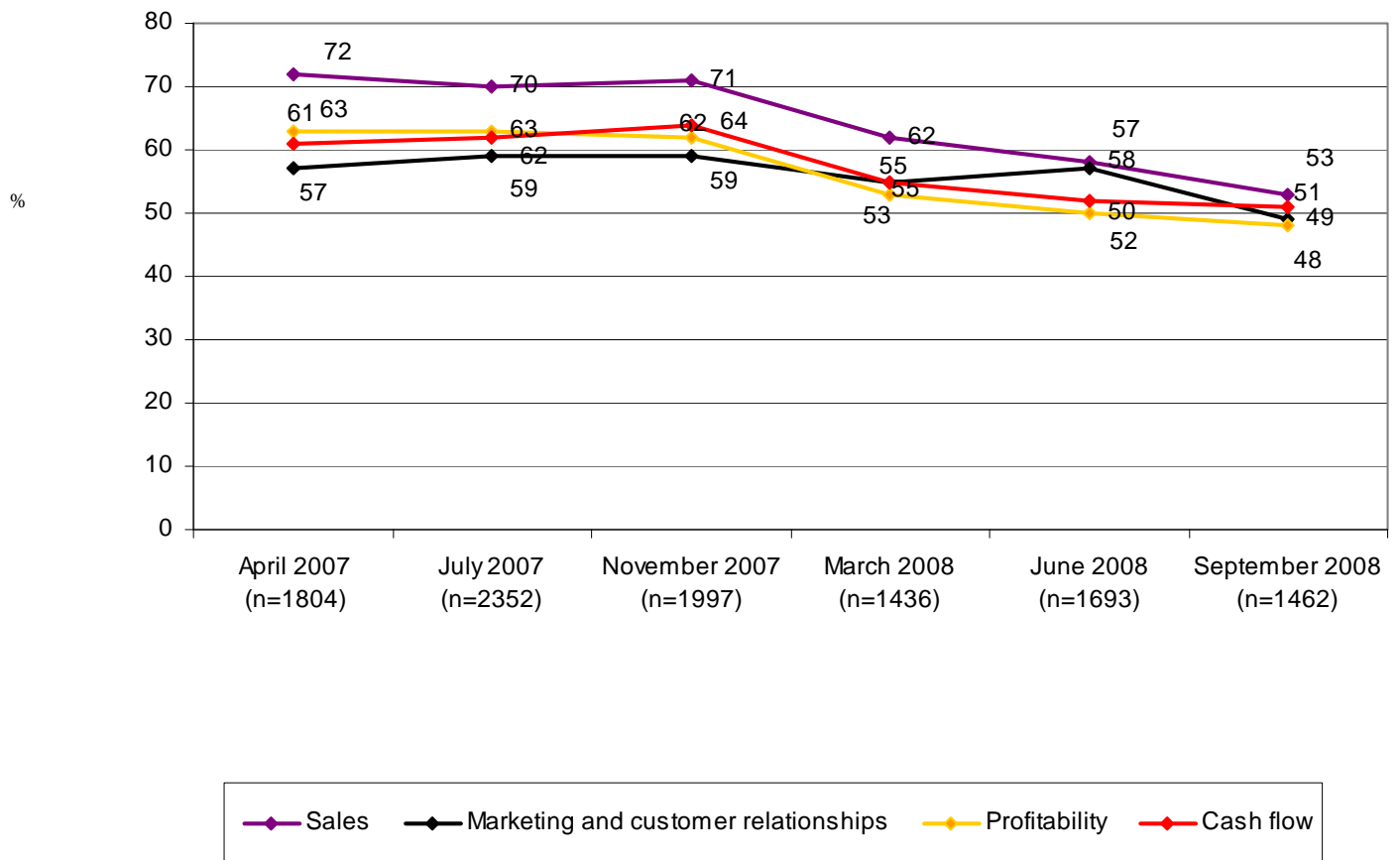
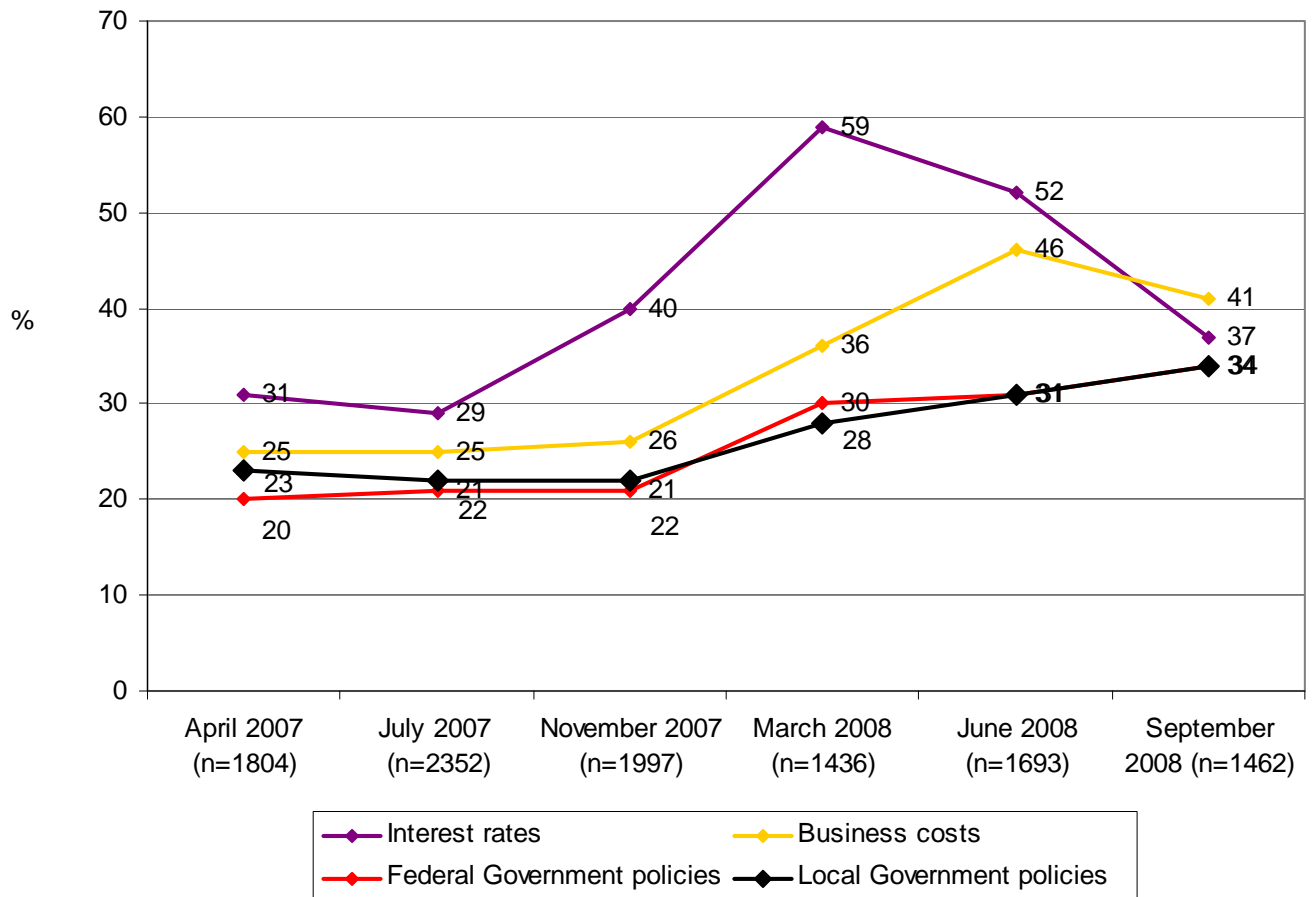


Figure 25.1: Proportion of small businesses with NEGATIVE outlook for specific business issues over the next 12 months

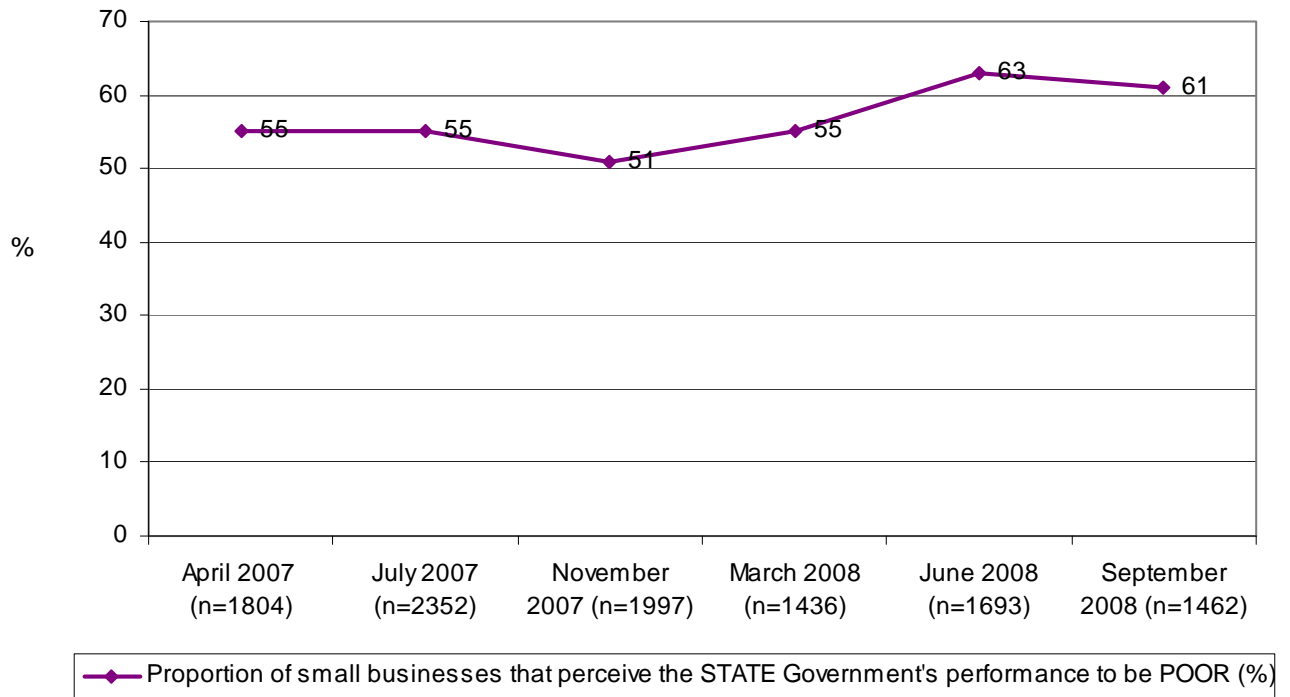


Base: Small business owners (n=1462)

AMR Interactive, October 2008

## Appendix 5 – Perceptions of State Government performance

Figure 26: Small businesses' perceptions of the State Governments' performance in contributing to the development of small business in Australia



Base: Small business owners (n=1462)

AMR Interactive, October 2008



## Appendix 6 – Sample demographics; Personal

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<b>Gender</b>	
Male	53%
Female	47%

<b>Age</b>	
18-29 years	4%
30-39 years	15%
40-49 years	31%
50-59 years	32%
60-65 years	12%
Over 65 years	4%

Base: Small business owners (n=1462)

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AMR Interactive, October 2008

## Appendix 7 – Sample demographics; Business

Size of Business	
Sole trader (no other employees)	59%
1 full time employee	14%
2-4 full time employees	17%
5-9 full time employees	5%
10-19 full time employees	4%

Business or Consumers/Customers	
Business	30%
Consumers/Customers	33%
Both	32%
Other	1%
Unsure	3%

Length of Time Business Operating	
Less than 1 year	14%
1 to less than 5 years	35%
5 to less than 10 years	19%
More than 10 years	32%

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

Area of expenses	Percent age of expenses										
	0%			1%-10%					Total 1%-100%		
	Sep 08	Jun 08	Mar 08	Sep 08	Sep 08	Sep 08	Sep 08	Sep 08	Sep 08	Sep 08	Jun 08
Rent & property costs	<b>30%</b>	31%	36%	41%	14%	5%	3%	1%	<b>64%</b>	67%	61%
Salary/wages	<b>23%</b>	21%	22%	10%	12%	13%	20%	16%	<b>71%</b>	73%	70%
IT - software & hardware	<b>19%</b>	17%	20%	70%	7%	3%	1%	0%	<b>81%</b>	82%	78%
Plant equipment, furniture, materials and inventory costs	<b>15%</b>	16%	19%	45%	13%	8%	9%	5%	<b>80%</b>	78%	74%
Marketing, advertising & sales	<b>36%</b>	36%	35%	49%	8%	3%	2%	0%	<b>62%</b>	63%	63%
Energy use - electricity, gas, water, oil/petrol	<b>11%</b>	12%	19%	61%	14%	8%	4%	1%	<b>88%</b>	85%	93%
Research & Development costs	<b>65%</b>	64%	65%	30%	3%	2%	0%	0%	<b>35%</b>	33%	34%
Administrative costs - human resource management, accounting, finance	<b>21%</b>	21%	19%	61%	12%	4%	0%	0%	<b>77%</b>	75%	76%
Other	<b>81%</b>	81%	64%	8%	2%	2%	2%	1%	<b>15%</b>	16%	9%

Base: Small business owners (n=1462)

AMR Interactive, October 2008

## Appendix 8 – Questionnaire items

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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)

S2. Not including yourself, approximately how many full time employees does your company have in Australia?

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: 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
9. Don't know/Unsure

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: 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
9. Don't know/Unsure

Q: You mentioned that you expect your business (\*\*\*) over the next 12 months, what are the factors underpinning your expectation?

Please select all that apply

Current tax levels

Future proposed tax changes - going up

Future proposed tax changes - going down

Petrol prices too high

Petrol prices forecast reduction

Employment market favourable for employers

Lack of available trained workers to draw on

Increase in Government investment in my industry

Decrease in Government investment in my industry

Increase in competitive activity

Decrease in competitive activity

Organic growth of my industry is increasing

Decline in growth rate of my industry  
Consumer/end user trends changing favourably  
Consumer/end user trends changing unfavourably  
None of these  
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
9. Don't know/Unsure

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

1. Very poor performance
2. Somewhat poor performance
3. Neither good nor poor performance
4. Somewhat good performance
5. Very good performance
9. Don't know/Unsure

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

1. Very poor performance
2. Somewhat poor performance
3. Neither good nor poor performance
4. Somewhat good performance
5. Very good performance
9. Don't know/Unsure

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 by using the following scale where

1. *Very positive*, 2. *somewhat positive*, 3. *Neutral*, 4. *Somewhat negative*, 5. *Very negative*, 6. *Not applicable*

Sales

Cash flow

Business costs

Profitability

Competitor activity

Federal Government policies

Local Government policies

Exchange rates

Interest rates

Business systems (IT, accounting)

Marketing and customer relationships

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/Unsure

If Q (1) ASK;

Qa: 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%

If Q (2) ASK;

Qb. 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: Within the next 6 months, do you expect to invest money in order to help your business grow?

1. Yes
2. No
9. Don't know/Unsure

If Q (1) ASK;

Qa: And approximately how much money do you expect to invest in the next 6 months specifically to help grow your business?

1. Less than \$5,000
2. 5,000 - \$9,999
3. 10,000 - \$50,000
4. More than \$50,000
9. Don't Know / Unsure
98. Will invest nothing to grow the business

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
9. Don't know/Unsure

If Q (1) ASK;

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

If Q (2) ASK;

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

Q: How do you usually find your employees? Please select all that apply

1. By advertising in 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)

If S2 (1) skip next Q

Q: What percentage of your employees are \*\*\* Percentages must add up to 100%.

- Full-time permanent
- Part-time permanent
- Contract
- Casual
- Other (specify)

Q1: Does your business have a domain name registered?

- 1. Yes
- 2. No
- 9. Don't know/Unsure

Q: Does your business have a website?

- 1. Yes
- 2. No
- 9. Don't know/Unsure

If Q (2) ASK;

Q2: Would you consider getting a website in the near future?

- 1. Yes
- 2. No
- 9. Don't know/Unsure

If Q (1) ASK

Q: Do you sell goods or services via your business website (e.g. an online shopping or e-commerce facility)?

- 1. Yes
- 2. No
- 9. Don't know/Unsure

Q: How long ago did you set-up a business website?

- 1. Less than six months ago
- 2. Six months to less than 1 year ago
- 3. 1 to 2 years ago
- 4. 3 to 4 years ago
- 5. 5 to 6 years ago
- 6. 7 to 10 years ago
- 7. 10+ years ago

Q: When did you last update or change your business website in some way?

- 1. Within the last month
- 2. Within the last 1-6 months
- 3. Within the last 7-11 months
- 4. Within the last 1-2 years
- 5. 2+ years ago

D1. What is the main product, service or activity that your business provides? \_\_\_\_\_  
(open-ended)

D2. 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, cafe 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. IT/Information & Communications Technology
18. Tourism
19. Other (specify)

D3. Which state is your company predominantly based in?

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

D4. What is the postcode where your business is located? If you have more than one office please indicate the postcode where your business headquarters are based. \_\_\_\_\_  
(open-ended)

D5. Does your business operate out of a household/home office?

1. Yes
2. No

D6. 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

D7. 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

D8. 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
9. Don't know/Unsure

D9. Does your business sell products or services primarily to other businesses or consumers/customers?

1. Businesses
2. Consumers/ customers
3. Both
4. Other (specify)

## 9. Don't know/Unsure

D10. What percentage of your overall business expenses does each of the following areas account for (your best estimate is fine)?

Percentages must add up to 100%.

Rent and property costs

Salary/wages

Software and hardware

Plant equipment, furniture, materials and inventory costs

Marketing, advertising and sales

Energy use - electricity, gas, water, oil/petrol

Research & Development costs

Administrative costs - human resource management, accounting, finance

Other (specify)

D11. Approximately how much do you spend on your accountant per annum?

1. Less than \$500 per annum
2. Between \$500 and \$999 per annum
3. Between \$1000 and \$1999 per annum
4. Between \$2,000 and \$2,999 per annum
5. Between \$3,000 and \$3,999 per annum
6. Between \$4,000 and \$4,999 per annum
7. Between \$5,000 and \$5,999 per annum
8. Between \$6,000 and \$6,999 per annum
9. Between \$7,000 and \$7,999 per annum
10. Between \$8,000 and \$9,999 per annum
11. More than \$10,000 per annum

D12. What is your gender?

1. Male
2. Female

D13. Which of the following categories best describes your age?

1. Under 18 years
2. 18-24 years
3. 24-29 years
4. 30-39 years
5. 40-49 years
6. 50-59 years
7. 60-65 years
8. Over 65 years
9. I don't wish to answer this question

D14. Which of the following best describes your current marital status?

1. Not married
2. Divorced/Separated
3. Married
4. Living with partner (de facto spouse relationship)
5. Other (specify)
6. I do not wish to answer this question

If D14 (3/4) ASK;

D14a. What is your partner's/ spouse's occupation? \_\_\_\_\_ (open-ended)

Please enter your response into the box below.

D15. Which of these best describes your household...

1. Single living at home with parents
2. Single, sharing accommodation with other adults
3. Single, living alone
4. Single with children living at home



5. Single with children who do not live at home
6. Married/de facto with children who live at home
7. Married/de facto with children who have left home
8. Married/de facto with no children
9. Other

D16. Which of the following ranges best describes your total household annual income before tax?

1. Under \$25,000
2. \$25,000 - \$39,999
3. \$40,000 - \$59,999
4. \$60,000 - \$74,999
5. \$75,000 - \$99,999
6. \$100,000 - \$149,999
7. \$150,000 - \$199,999
8. \$200,000+
9. Don't know/Unsure
98. I do not wish to answer this question