
MYOB Australian Small Business Survey

July 2008

Small Business Survey Report

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 1,693 small business proprietors and general managers, conducted in June 2008. 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, 2004*; 8127.0 and *Counts of Australian Businesses, Jun 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:

Industry	Sample
Agriculture	78
Manufacturing	103
Construction	156
Wholesale Trade	62
Retail Trade	240
Accommodation, Café and Restaurants	55
Transport and Storage	83
Communication, Media and Marketing Services	77
Finance and Insurance	135
Property and Business Services	212
Education	55
Health and Community Services	108
Cultural and Recreational Services	73
Personal and Other Services	166
Information & Communications Technology	46
Tourism	8*
Electricity, Gas and Water supply	24*
Mining	12*
Total	1693

Note:

* Tourism, Electricity, Gas and Water supply and Mining are 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:

State	Sample
NSW	515
VIC	406
QLD	365
SA	140
WA	163
TAS	50
NT	20*
ACT	34*
Total	1693

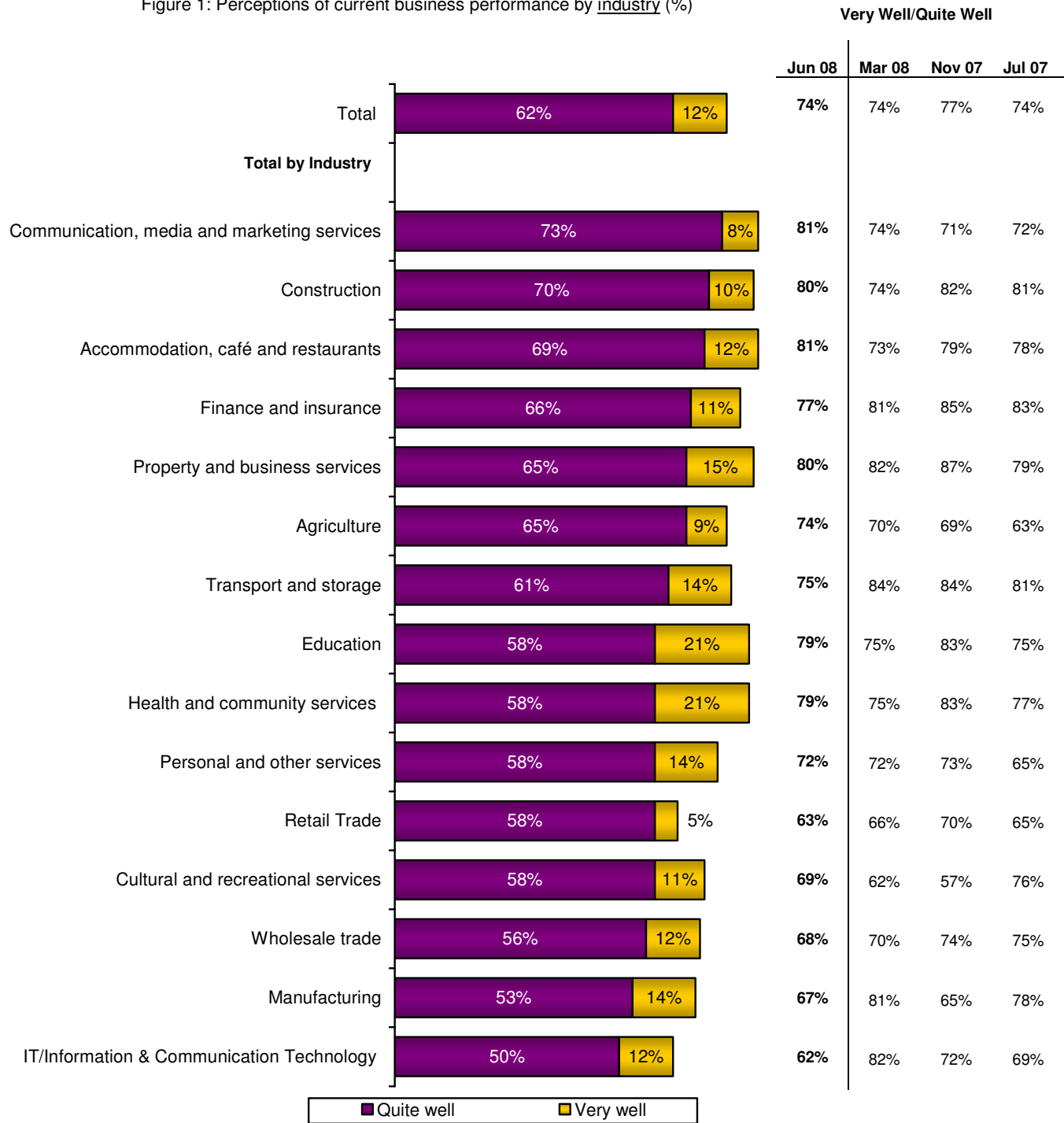
Note:

* 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)

74% of small business owners feel their business is currently performing very well or quite well

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



Base: Small businesses owners (n=1693)

Q1: 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, June 2008



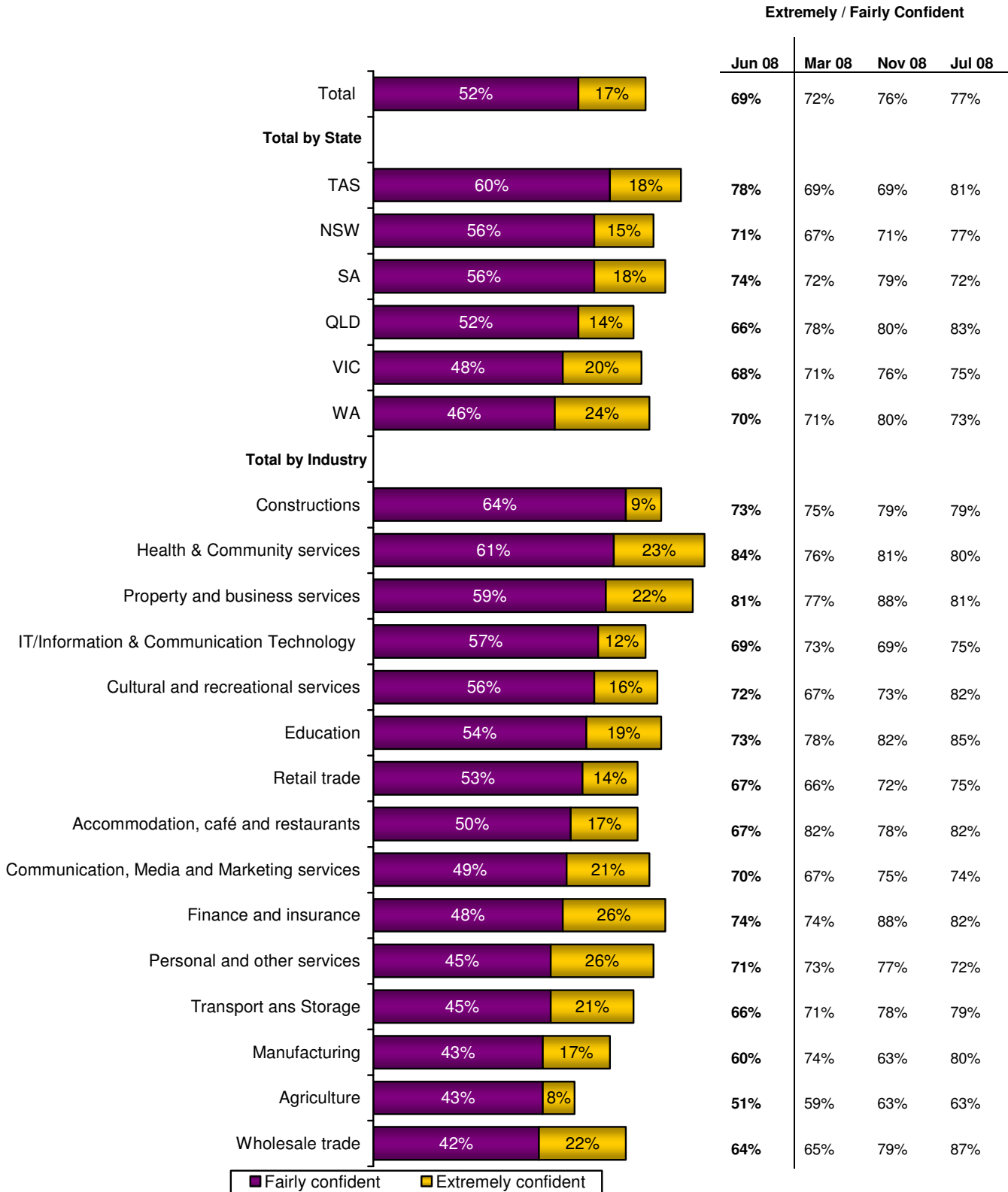
Of the small business owners surveyed, 74% reported that their business is currently performing well, this includes 12% who report their business as performing quite well. The industries with the most positive current performance are the Communications, Media and Marketing Services and Accommodation, Café and Restaurant sectors, both of which have an 81% positive performance rating. This is then followed by Construction, and Property and Business Services, both on 80%.

The industries with the least positive performance are the IT/Information and Communication Technology sector (62%) and Retail Trade (63%).

Confidence in future business prospects

Two-thirds (69%) of small business owners are confident about their business prospects over the next 12 months

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



Base: Small business owners (n=1693)

Q2: Thinking about the next twelve months, how confident do you feel about the prospects for your own business?

AMR Interactive, June 2008

Sixty-nine percent (69%) of small business owners surveyed are confident in the future performance of their business, this includes 17% who report being extremely confident.

Tasmania is currently the most optimistic state (78%) in regards to confidence in future business prospects, followed by South Australia (74%) and New South Wales (71%). Queensland has fallen from being the most optimistic in the last 3 quarters (78% in March 2008, 80% in November 2007 and 83% in July 2007), to being the least positive state, with only 66% of small business owners indicating confidence in their business's future prospects. This is a drop in 12% since the previous quarter.

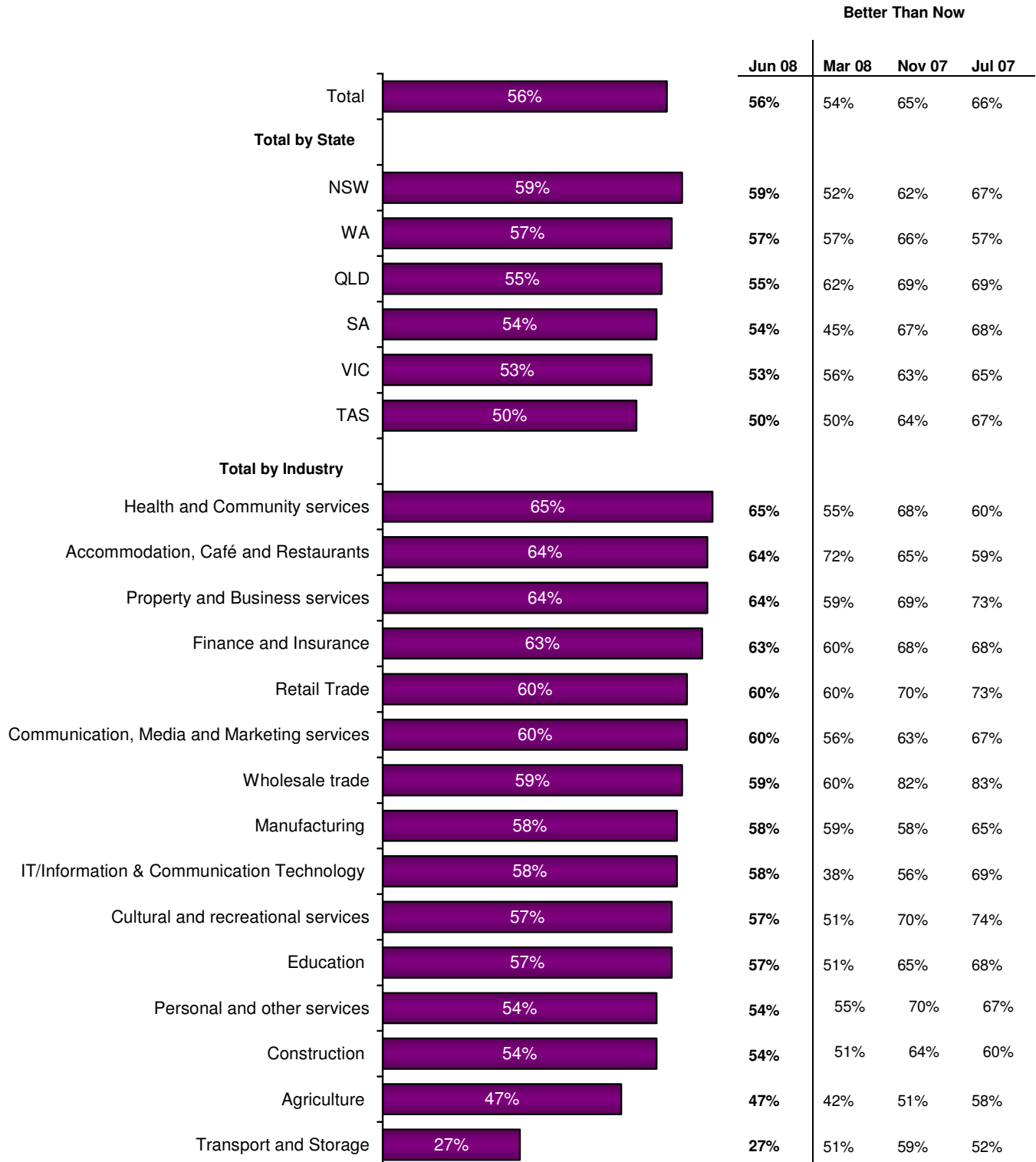
In regards to industry, the most positive sectors are Health and Community Services (84%) and Property and Business Services (81%). The largest increase was found in the Health and Community Service sector which rose from 76% in March 2008 (increase of 8%).

There has been a decline in optimism regarding business prospects since the previous quarter in the Accommodation, Café and Restaurant sector which dropped from 82% in March 2008 to 67% (decline of 15%), as well as the Manufacturing sector which fell from 74% in March 2008 to the current 60% (decline of 14%).

Perceptions of own business (future)

Over half of small business owners believe their business will be performing better than now over the next 12 months

Figure 3: Performance outlook (better than now) for own business over the next 12 months by state and industry (%)



Base: Small business owners (n=1693)

Q3: 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, June 2008

Fifty-six percent (56%) of small business owners surveyed believe their business will perform better than now over the next 12 months. The Health and Community Service industry is the most optimistic regarding a better than now performance (65%), followed by the Accommodation, Café and Restaurant sector, and Property and Business Services (both with 64%). It is worth noting that the Health sector has increased its optimism by 10% since the previous quarter (from 55% in March 2008). Another notable increase was found in the IT/Information and Communication Technology sector, which increased by 20% from 38% in March 2008 to the current 58%.

A drop of 24% was seen in the Transport and Storage industry, which decreased from 51% in March 2008 to being the least optimistic sector in the current quarter with 27%. An assumption can be made that high petrol prices are a factor in this industry's decline as 83% of those in the Transport and Storage who responded that they expected their business to perform worse than now, attributed high petrol prices to this expectation.

Factors underpinning expectations for business performance

Petrol prices (both current and future) are the main factors underpinning expectant business performance

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

Factor	Expectation for Future Business Performance		
	Better than now (n=936)	Worse than now (n=155)	No Change (n=491)
Current tax levels	6%	26%	22%
Future proposed tax changes - going up	3%	10%	8%
Future proposed tax changes - going down	4%	1%	2%
Petrol prices too high	10%	72%	49%
Petrol prices forecast reduction	97%	2%	1%
Employment market favourable for employers	5%	2%	1%
Lack of available trained workers to draw on	8%	18%	12%
Increase in Government investment in my industry	5%	2%	1%
Decrease in Government investment in my industry	1%	12%	7%
Increase in competitive activity	18%	29%	18%
Decrease in competitive activity	11%	2%	2%
Organic growth of my industry is increasing	35%	3%	5%
Decline in growth rate of my industry	3%	35%	15%
Consumer/end user trends changing favourably	44%	1%	9%
Consumer/end user trends changing unfavourably	3%	50%	20%
Drought/weather impact	1%	1%	1%
Other	3%	12%	9%

Base: Those who responded 'Better than now', 'worse than now' or 'No change' to Q3 (n=1582)

Q4: 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, June 2008

Of the small business owners who reported expecting their business to perform better than now over the next 12 month (56%), 97% attributed a 'Petrol price forecast reduction' as a factor underpinning this view. This is followed by 44% who attributed 'Consumer/end user trends changing favourably' and 35% attributing 'Organic growth in their industry increasing' as important factors in expecting better performance in the future.

For those small business owners who predict their business will perform worse than now over the next 12 months, 72% report 'Petrol prices too high' as an underpinning factor to this outlook. This is followed by 'Consumer/end user trends changing unfavourably' (50%) and 'Decline in growth rate of their industry' (35%).

'Petrol prices being too high' (49%) was also the highest attributed factor for participants who reported expecting no change in their business performance over the next 12 months. A total of 22% attributed 'Current tax levels' and 20% attributed 'Consumer/end user trends changing unfavourably'.

Expectations for future economic performance

More than half of small business owners believe that the Australian economy will perform worse than now over the next 12 months

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

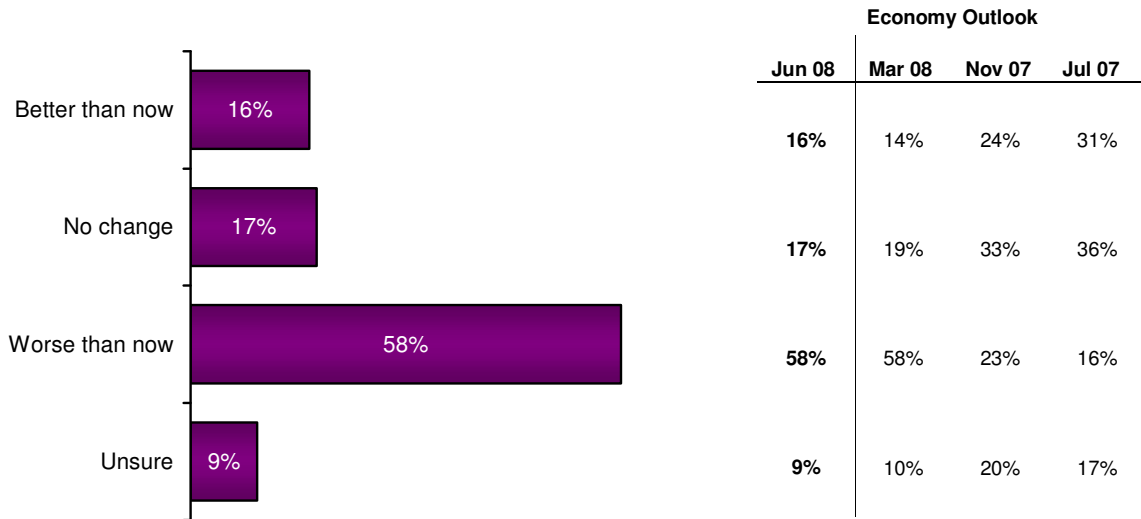


Figure 4.1: Performance outlook for the Australian economy over the next 12 months by state (%)

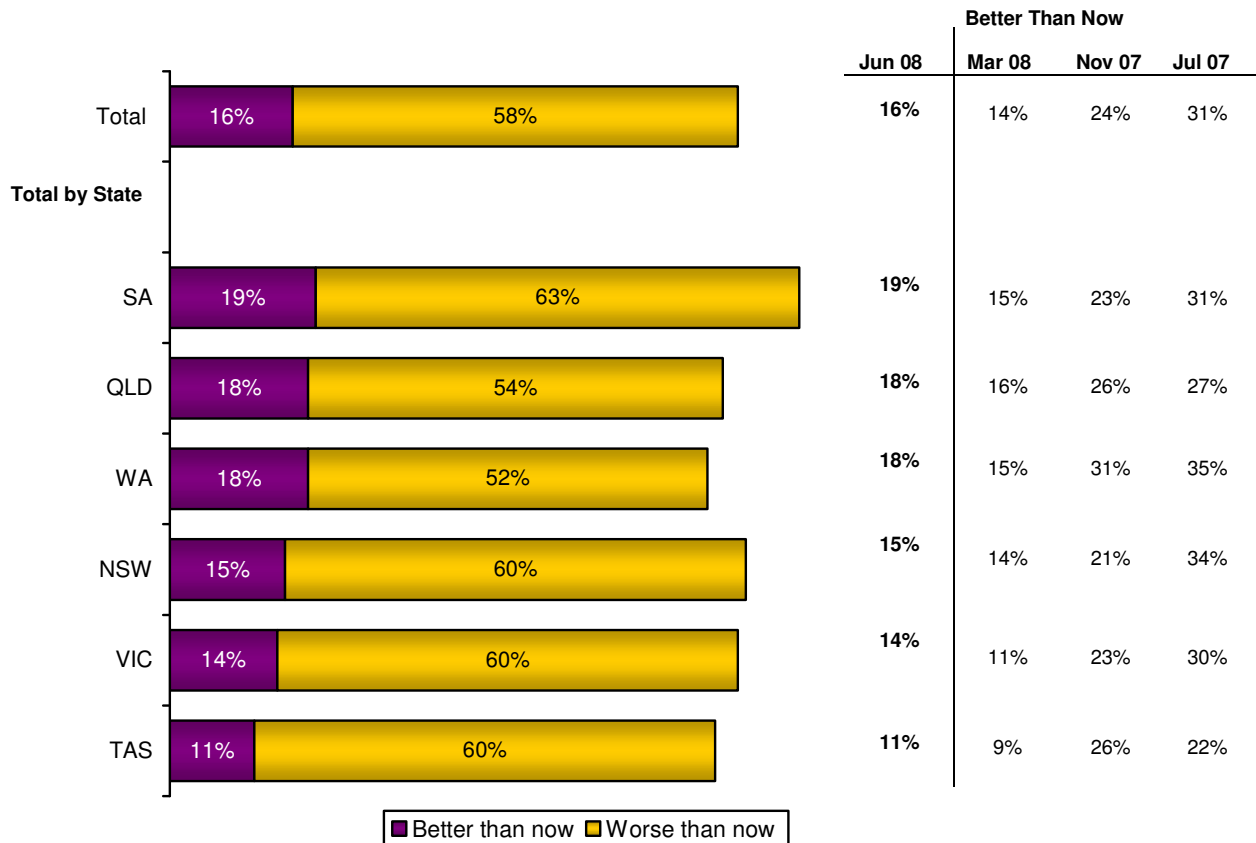
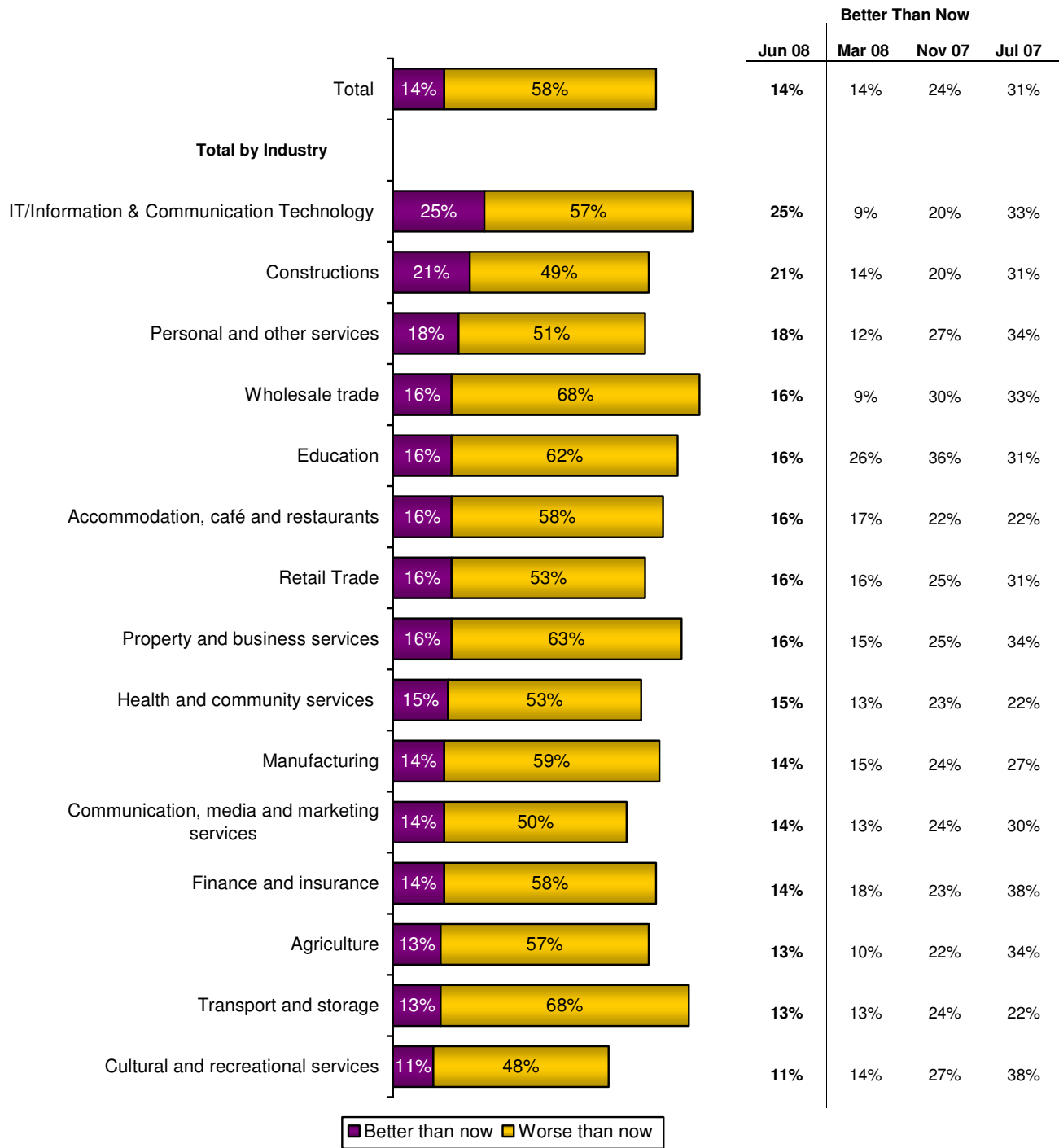


Figure 4.2: Performance outlook for the Australian economy over the next 12 months by industry (%)



Base: Small business owners (n=1693)
 Q5: 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, June 2008

Despite 56% of the small business owners surveyed reporting they expect their own business to perform better over the next 12 months, this positive attitude was not



transferred to the outlook for the general economy. A total of 58% reported expecting the Australian economy to perform worse than now over the next 12 months. These results are in line with those from the March 2008 results where a decreased level of positive and neutral reporting (better than now and no change) is noted.

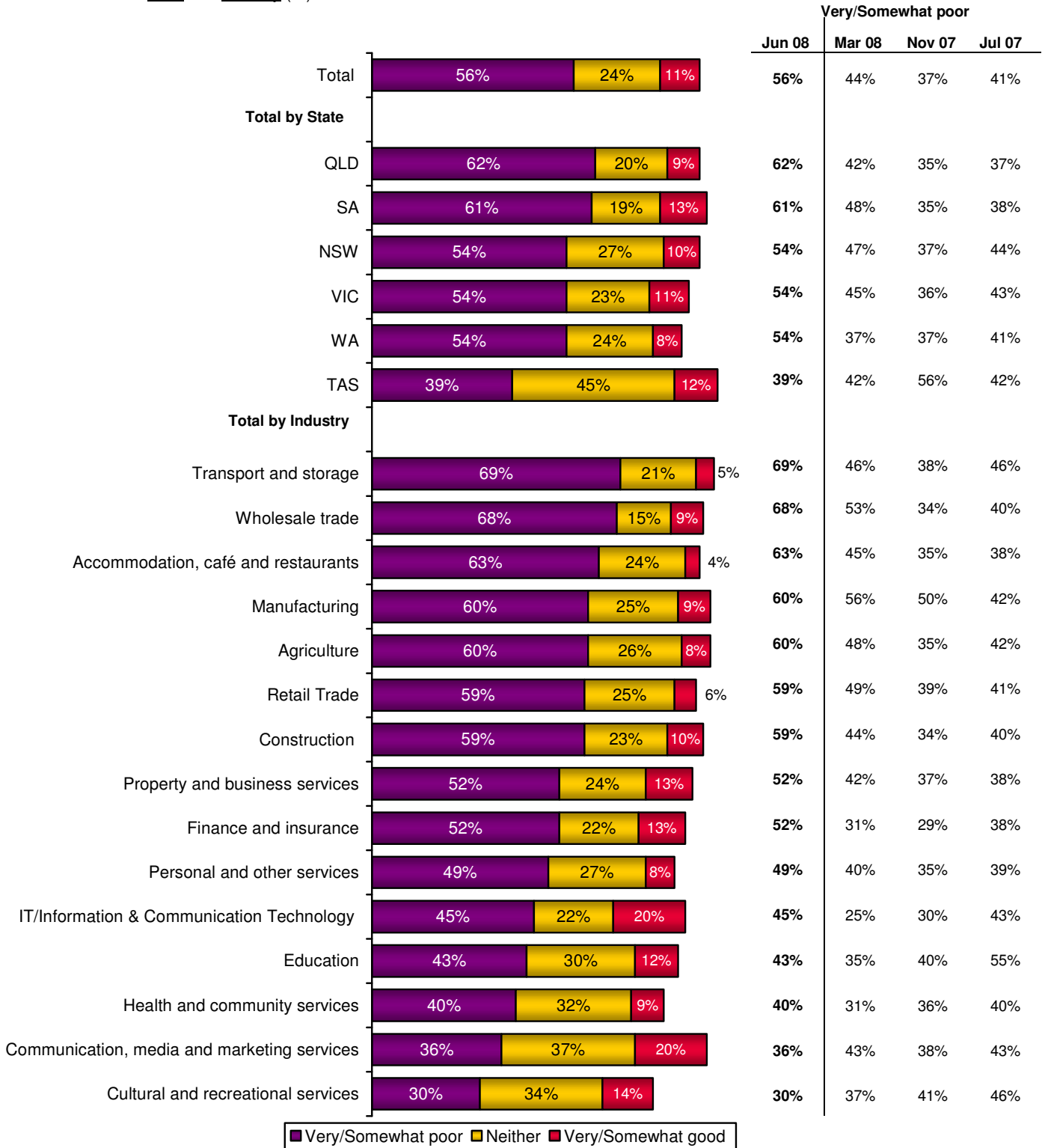
At a state level, the results are also relatively consistent with those from the March 2008 survey. In regards to positive outlooks, since the March 2008 survey South Australia (19%) has overtaken Queensland (18%) as the state with the most positive small business owners.

The IT/Information and Communication Technologies sector saw an increase in positive outlook from 9% of small business owners reporting the economy will perform better than now in March 2008 to the current result of 25% (increase of 16%), making it the most positive industry. This is followed by Construction with 21% (increase of 7% since March 2008) and Personal and Other services with 18% (increase of 6% since March 2008).

Perceptions of Federal Government performance

Over half of small business owners rate the Federal Government's contribution to small business as poor

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



Base: small business owners (n=1693)

Q14: How would you rate the Federal Government's current performance in contributing to the development of small business in Australia?

AMR Interactive, June 2008

Negative perceptions of the Federal Government have increased, with 56% of small business owners surveyed rating the contribution of the Federal Government to the development of small business in Australia as poor and/or very poor. Only 11% of small business owners indicated that the Federal Government's contribution was either good or very good. This negative perception has increased from previous quarters, with a 12% increase from March 2008, and a 19% increase from November 2007.

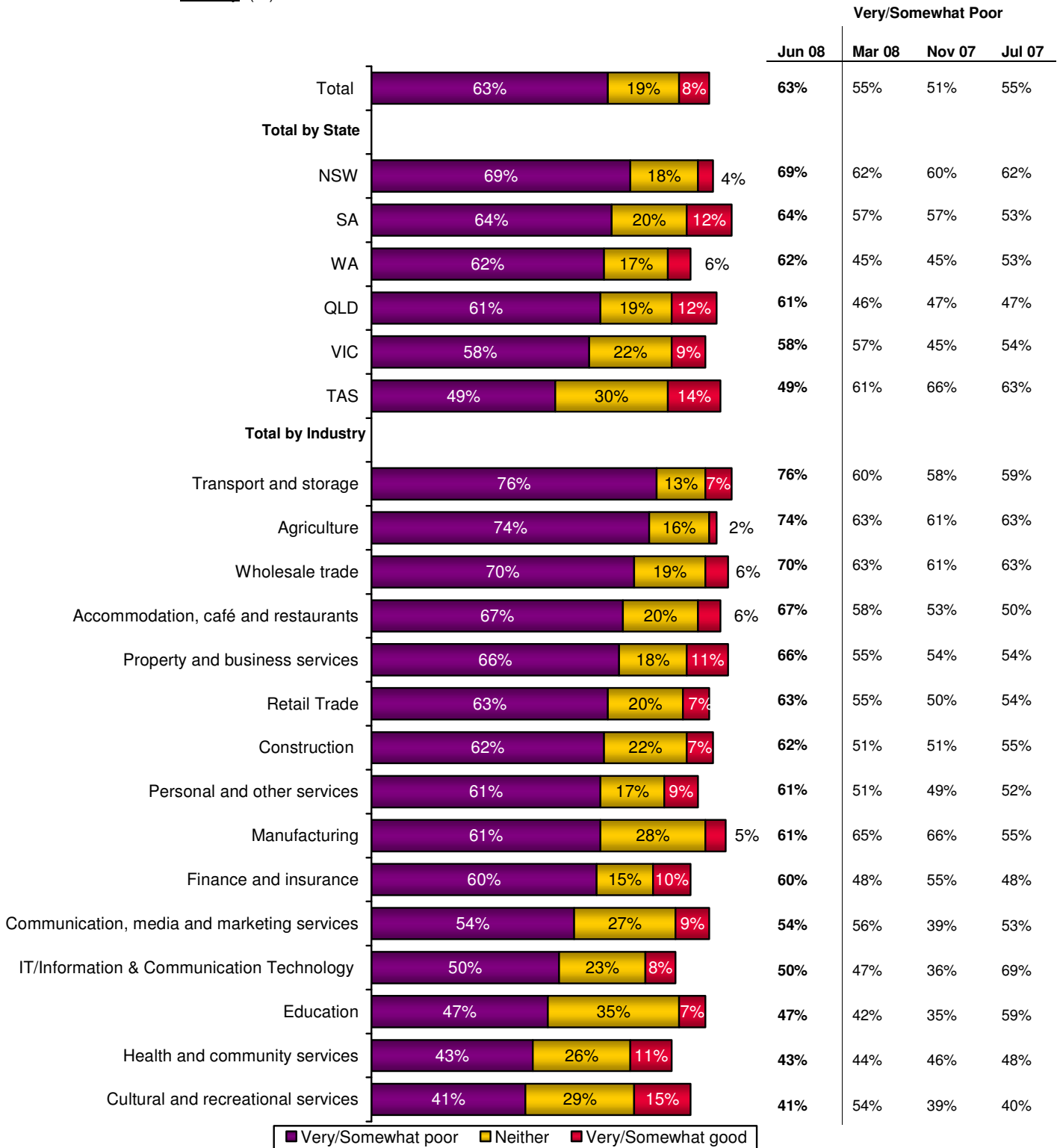
The Federal Government's contribution to small business is rated most negatively by small business owners in Queensland (62%) and South Australia (61%). All states, with the exception of Tasmania, have increased their negative perception since previous quarters, ranging from a 7% increase (noted with NSW), to a 20% increase (noted with QLD). Small business owners in Tasmania, on the other hand, have had a small decline in negative Federal Government perceptions (from 42% in March to current 39%).

Transport and storage (69%), Wholesale trade (68%) and the Accommodation, Café and Restaurant sector (63%) are the industries with small businesses that have the most negative perceptions of the Federal Government's contribution to small business. Increases are also noted with the results for these industries, as Transport and Storage has increased by 23% since March 2008, Accommodation, Café and Restaurant by 18% and Wholesale Trade by 15%.

Perceptions of State Government performance

The State Government's contribution to small business is rated as poor by more than half of small business owners

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



Base: Small business owners (n=1693)

Q15: How would you rate the State Government's current performance in contributing to the development of small business in Australia?

AMR Interactive, June 2008

Sixty-three percent (63%) of small business owners report the State Government's contribution to the development of small business is poor and/or very poor. This has increased from previous quarters from 55% in March 2008 (rise of 8%) and 51% in November 2007 (rise of 12%).

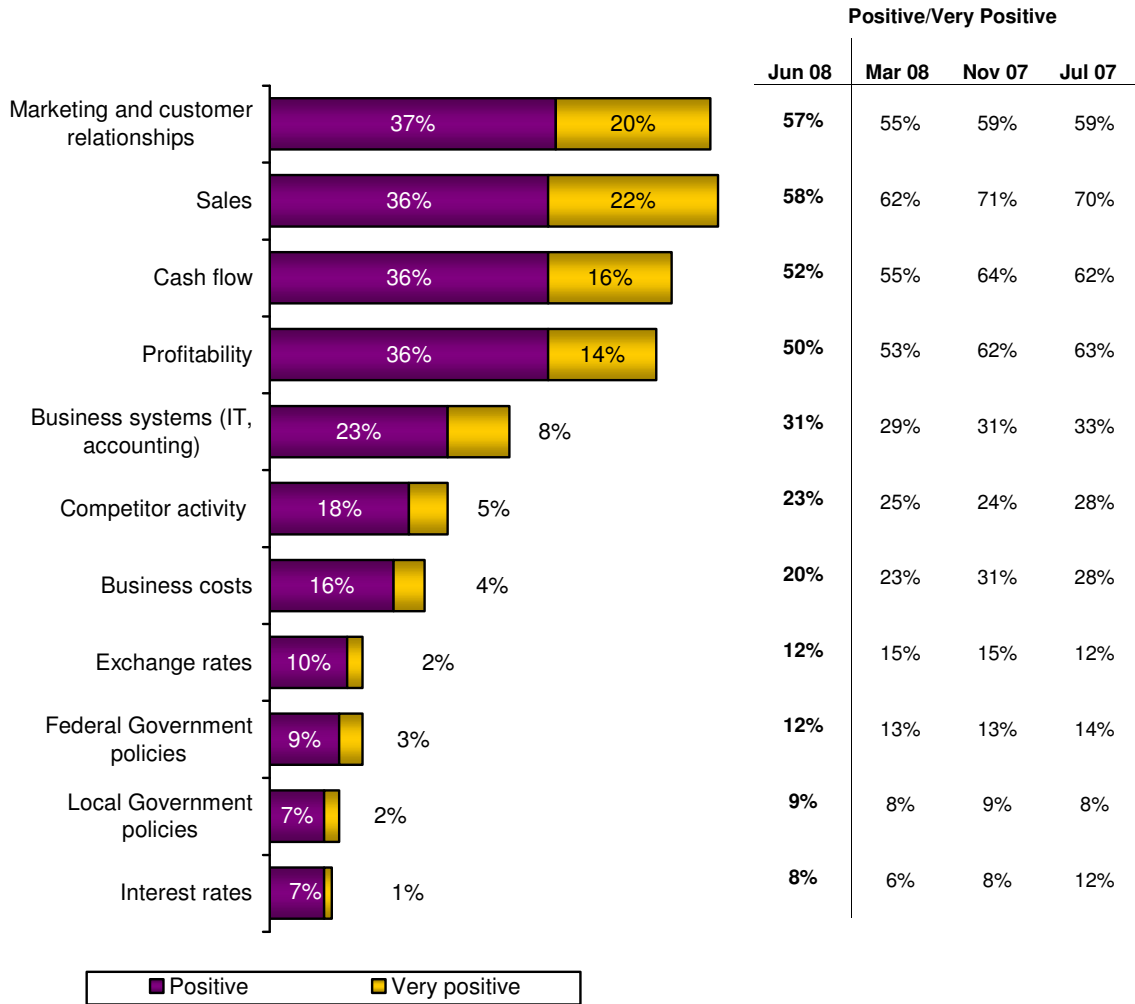
Small business owners in NSW are the most dissatisfied with their state government's contribution to small business (69% dissatisfied). This is followed by South Australia (64%) and Western Australia (62%). Like the Federal Government perceptions, small business owners in Tasmania have the lowest poor/very poor rating and this group is the only one to have a decrease in negativity since previous quarters (decrease of 12% since March 2008).

Transport and Storage (76%), Agriculture (74%) and Wholesale trade (70%) have small business owners with the highest levels of poor/very poor ratings. Cultural and Recreational Services is one of the only industries to show a decline in negativity (decline of 13% from 54% in March 2008). Also showing small declines are Health and Community Service (decline of 1%) and Communications, Media and Marketing services (decline of 2%).

Outlook for specific business issues (positive)

Small business owners have a positive outlook on Marketing and customer relationships and Sales

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



Base: Small business owners (n= 1693)

Q6: 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)

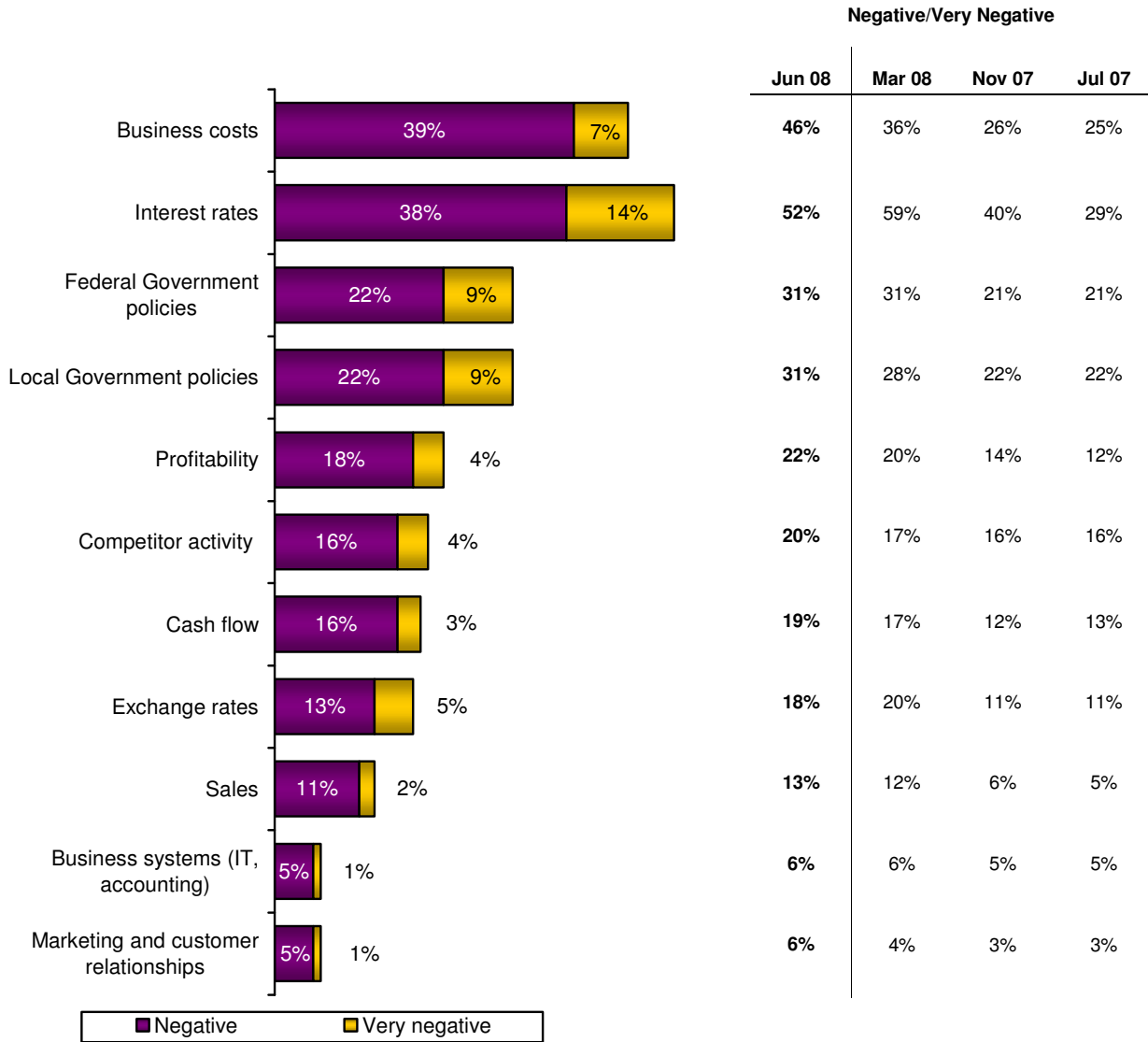
AMR Interactive, June 2008

Fifty-eight percent (58%) of small business owners report having a positive or very positive outlook for Sales, and 22% of this group reported a very positive outlook. This is followed closely by Marketing and customer relationships, which was reported as positive/very positive by 57% of small business owners; including 20% who reported a very positive response. Cash flow (52%) and Profitability (50%) were also viewed positively.

Outlook for specific business issues (negative)

Small business owners have negative outlook on Business costs and Interest rates

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



Base: Small business owners (n=1693)

Q6: 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, June 2008

A total of 52% of small business owners surveyed have a negative or very negative outlook for Interest rates over the next 12 months. Of this group, 14% reported a very negative outlook.

Following Interest rates is Business costs, for which 46% of small business owners reported having a negative/very negative outlook. This factor has been continually rising by 10% since November 2007 (from 26% to 36% in March 2008, to the current 46%). Federal Government policies and State Government policies are both reported by 31% of small business owners as having a negative/very negative outlook.

Outlook for business revenue

Over half of small businesses expect their revenue to increase in the next 12 months

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

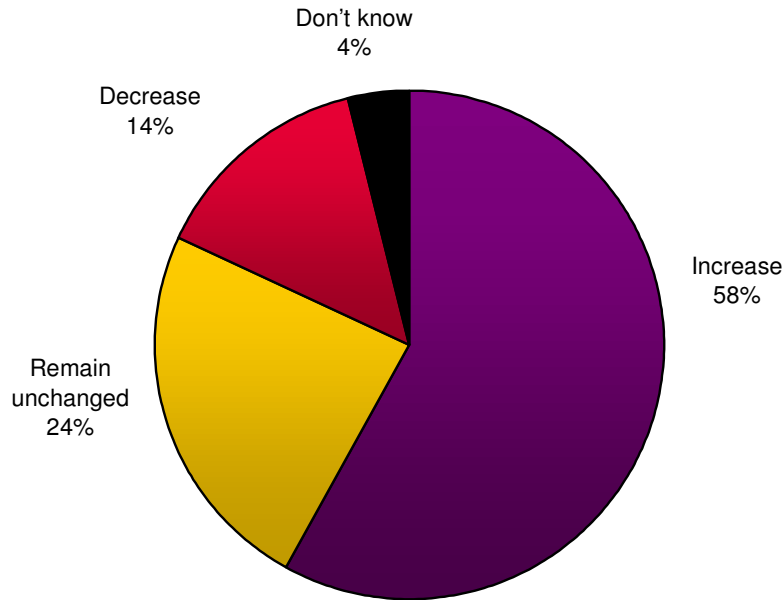


Figure 9.1: Outlook ('increase') for own business revenue in the next 12 months by state (%)

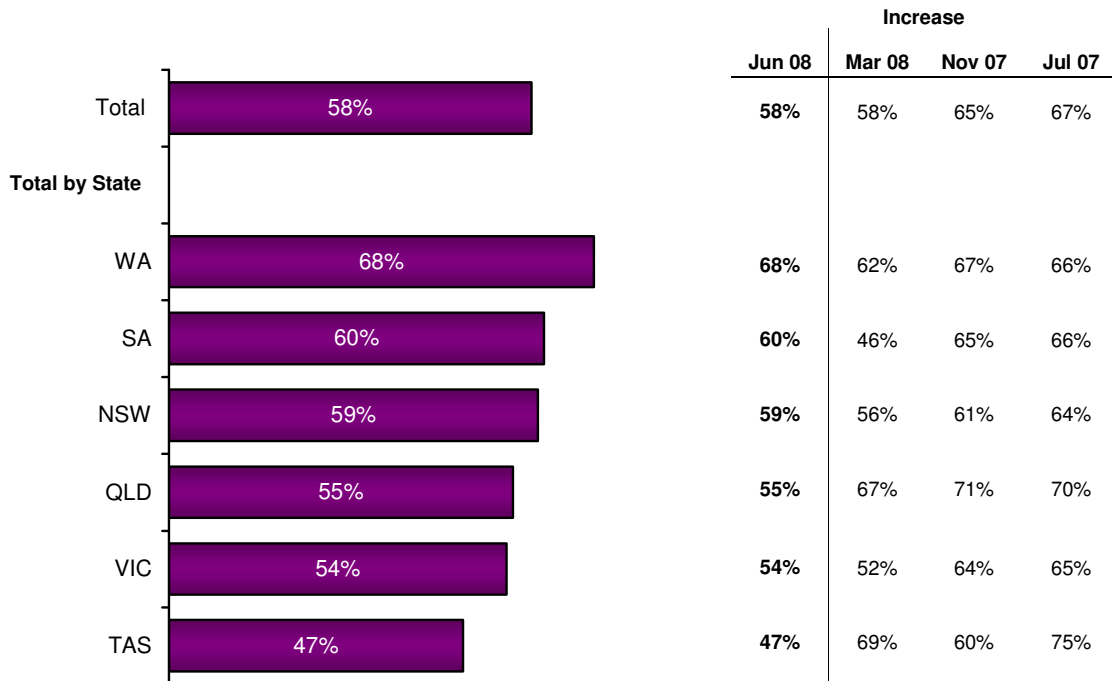
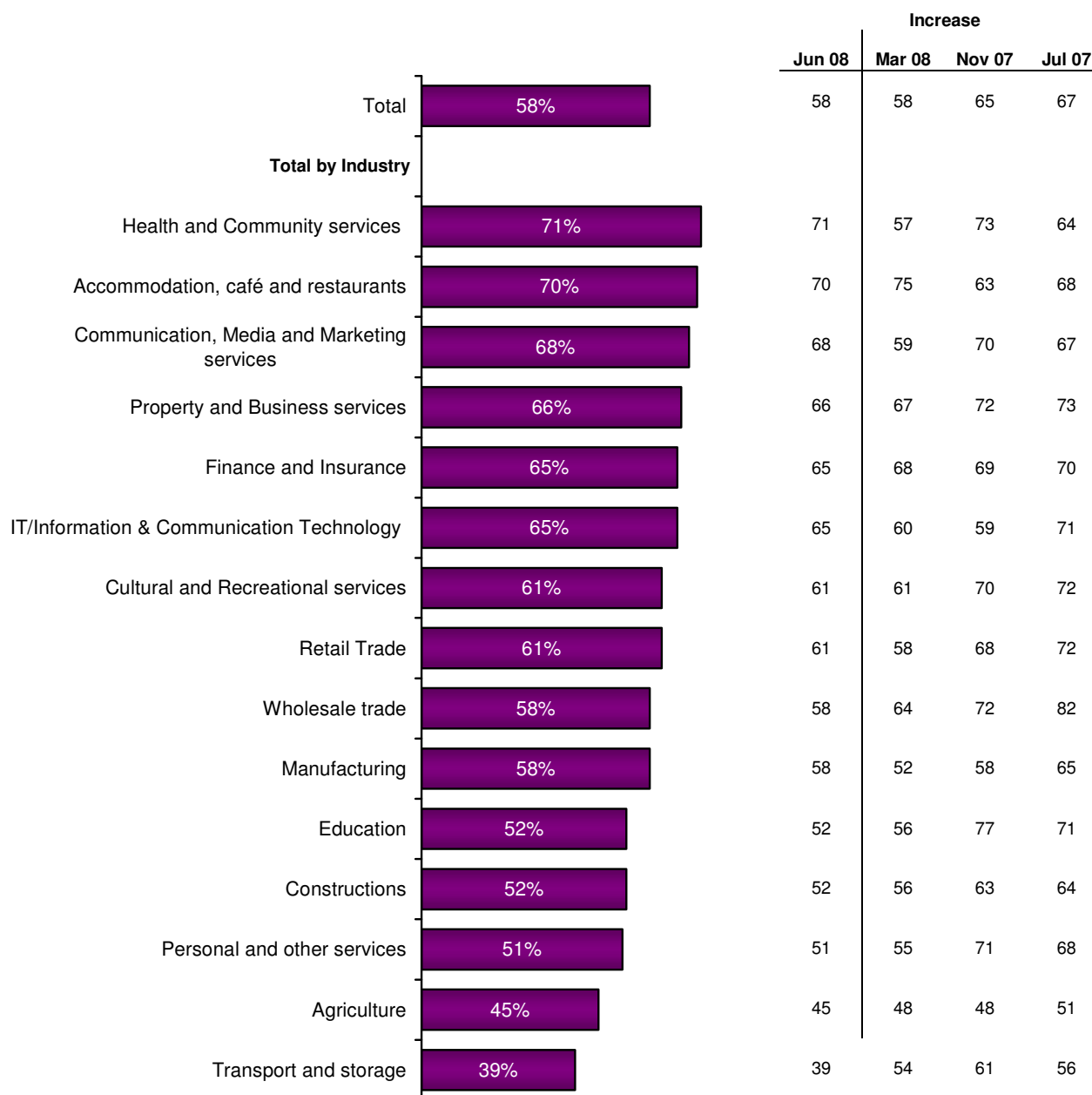


Figure 9.2: Outlook ('increase') for own business revenue in the next 12 months by industry (%)



Base: Small business owners (n=1693)

Q7a: Do you expect your business revenue to increase, decrease or remain unchanged in the next 12 months?

AMR Interactive, June 2008

Fifty-eight percent (58%) of small business owners surveyed expect their business revenue to increase over the next 12 months, followed by 24% who report that it will remain unchanged.

Small businesses in Western Australia currently have the most positive outlook in regards to future revenue with 68% reporting an expected increase over the next 12 months, followed by South Australia with 60%, which has increased by 14% since March 2008.

Small businesses in Tasmania (47%) currently display the lowest levels of expected revenue increases, which is down from 69% in March 2008 (decline of 22%), where it had been the state with the highest levels of expected revenue increase.

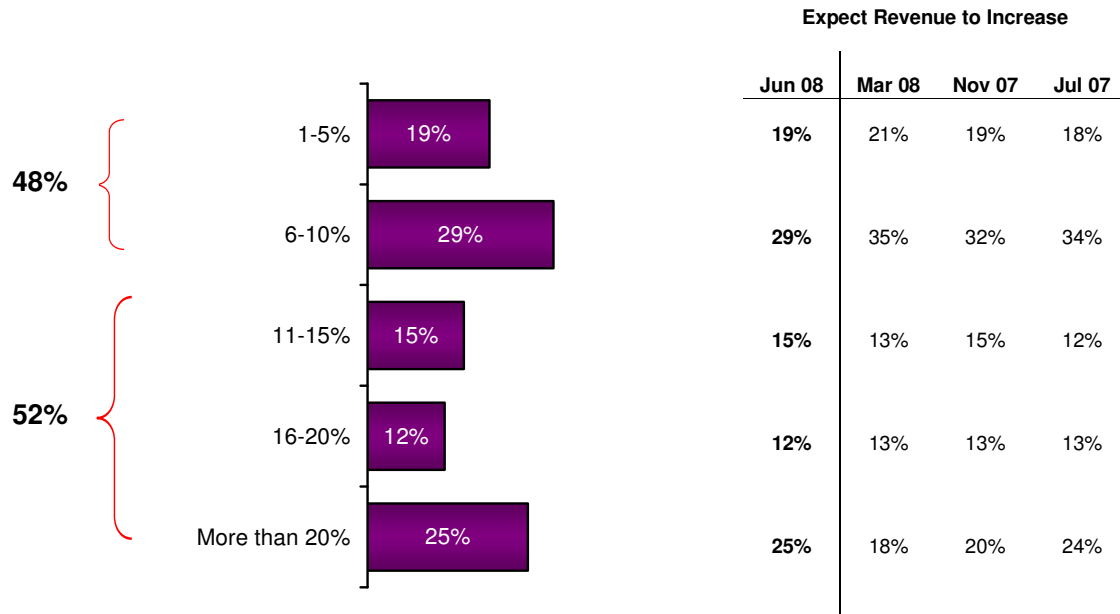
In regards to industry, small businesses in Health and Community Services reported the highest levels of expected revenue increase with 71% expecting an increase over the next 12 months. This is an increase of 14% from 57% in March 2008. This is followed by Accommodation, Café and Restaurants where 70% of small businesses reported an expected revenue increase, and Communication, Media and Marketing Services where 68% expect revenue increases over the next 12 months.

The Transport and Storage industry has the lowest levels of expected revenue increase, with only 39% of small businesses in this sector anticipating an increase. This is down from 54% in March 2008 (decline of 15%). This follows on from the Transport and Storage industry being the most likely to expect their business to perform worse than now over the next 12 months. Again, this could be attributable to the increase in petrol prices identified as a contributing factor to the negative performance outlook.

Expectations for increases in business revenue

Just under one-third of small business owners who expect an increase in revenue, anticipate it to be between 6% 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=970)
 Q7b: How much do you expect your revenue to increase in the next 12 months?

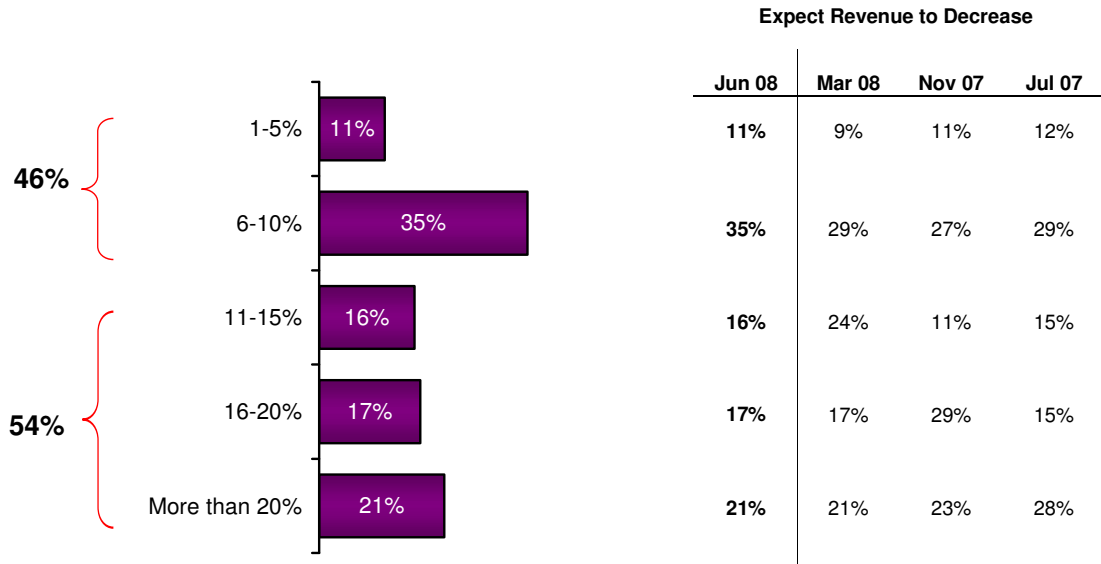
AMR Interactive, June 2008

Of the small business owners who indicated an expected increase in revenue over the next 12 months (58%), 48% expect this increase to be between 1% and 10%, with 29% of this group reported the expected increase to be between 6% and 10%. The remaining 52% report an expected increase of 11% and over. A total of 25% of this group believe that this increase will in fact be over 20%.

Expectations for decreases in business revenue

Just over half of small business owners who expect a decrease in revenue, expect a decline of over 11%

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=224)
 Q7c: How much do you expect your revenue to decrease in the next 12 months?

AMR Interactive, June 2008

Fifty-four percent (54%) of small business owners, who expect their business revenue to decrease over the next 12 months, expect this decrease to be over 11%. This includes 16% reporting a decrease of between 11% and 15%, a further 17% who report a decrease of between 16% and 20%, and 21% of this group who report a decrease of over 20%.

Expectation of investing in own business

Half of small business owners do not intend to invest in their business over the next 6 months

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

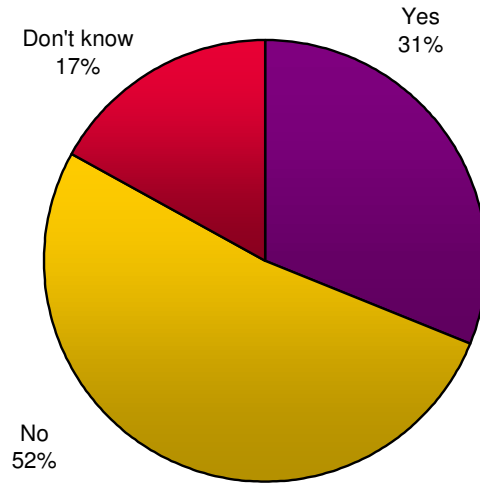
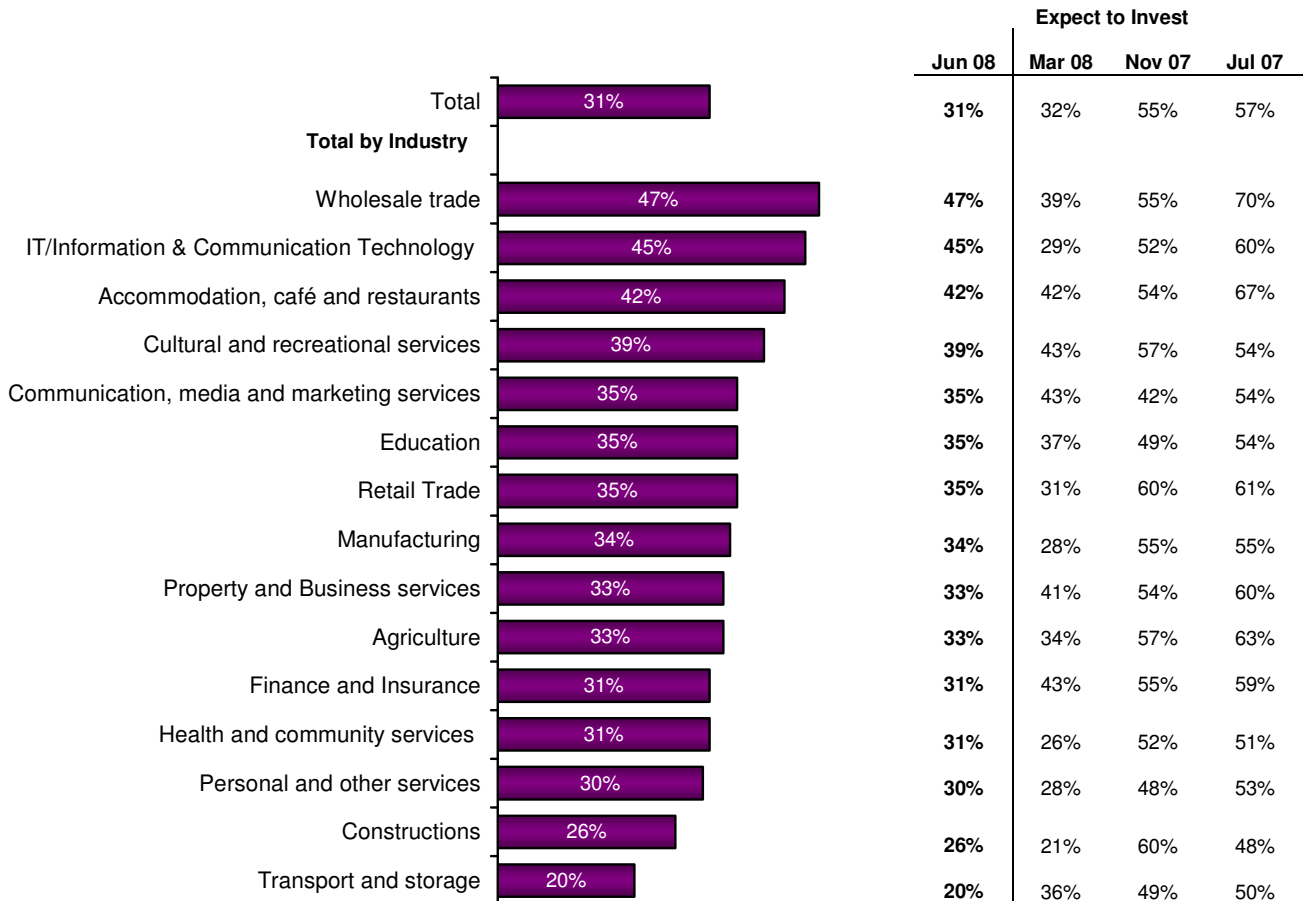


Figure 12.1: Expectation of investing in own business in the next 6 months by industry (%)



Base: Small business owners (n=1693)

Q8a: Within the next 6 months, do you expect to invest money in order to help your business grow?

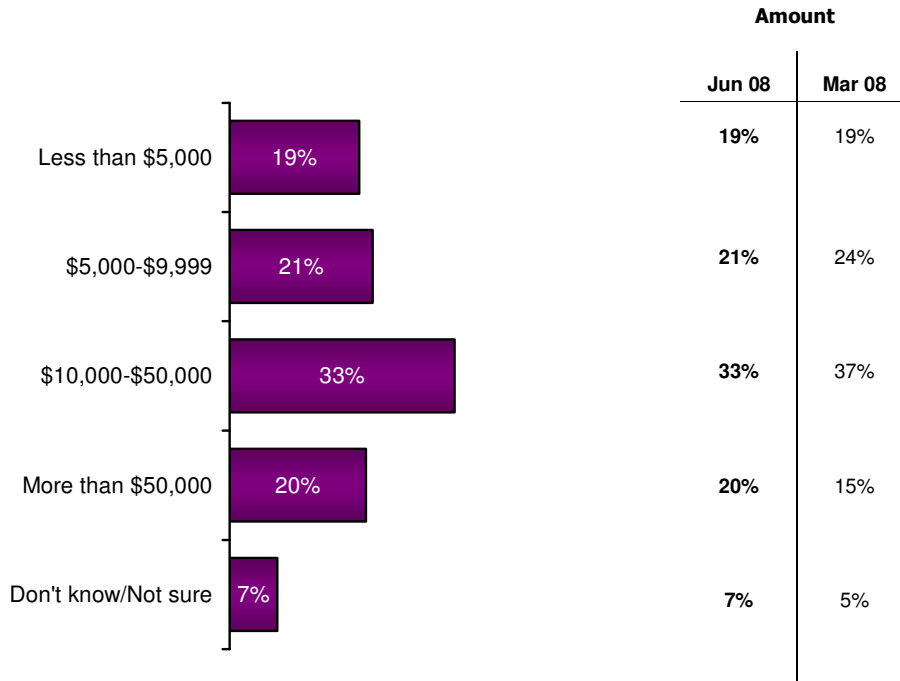
AMR Interactive, June 2008

While 52% of small business owners don't plan on investing in their own business, a total of 31% do intend to invest over the next 6 months. Small business owners in the Wholesale Trade (47%), IT/Information and Communication Technologies (45%) and Accommodation, Café and Restaurant (42%) sectors are more likely to invest over the next 6 months.

Expected amount of investment in own businesses

Half of small businesses who intend to invest, plan on investing over \$10,000

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



Base: Small business owners who intend on investing money in their business (n=555)

Q8b: Approximately how much do you expect to invest in the next 6 months to help grow your business?

AMR Interactive, June 2008

Of those small business owners who indicated they do intend on investing in their own business over the next 6 months (31%), 33% of this group intend to invest between \$10,000 and \$50,000, while a further 20% intend on investing more than \$50,000.

Intention of employing or reducing staff

Almost two in ten (19%) small businesses intend on hiring more employees in the next 12 months

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

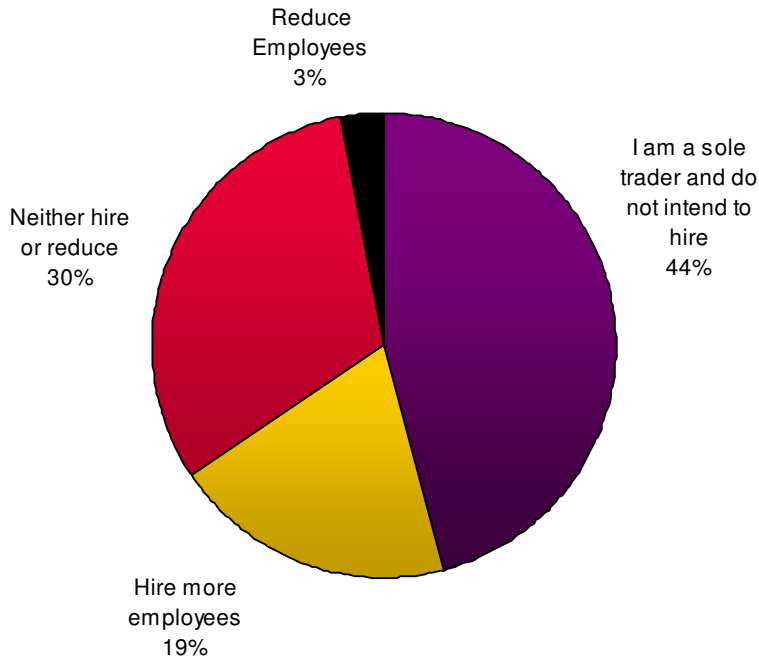


Figure 14.1: Expectation of hiring employees within the next 12 months by business size (%)

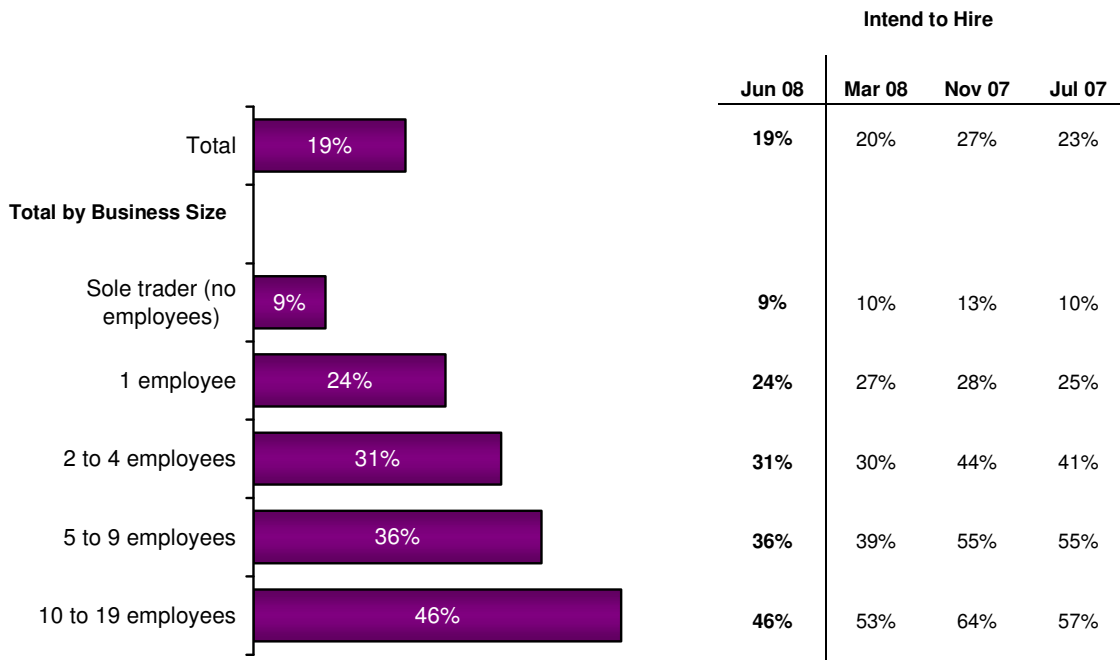
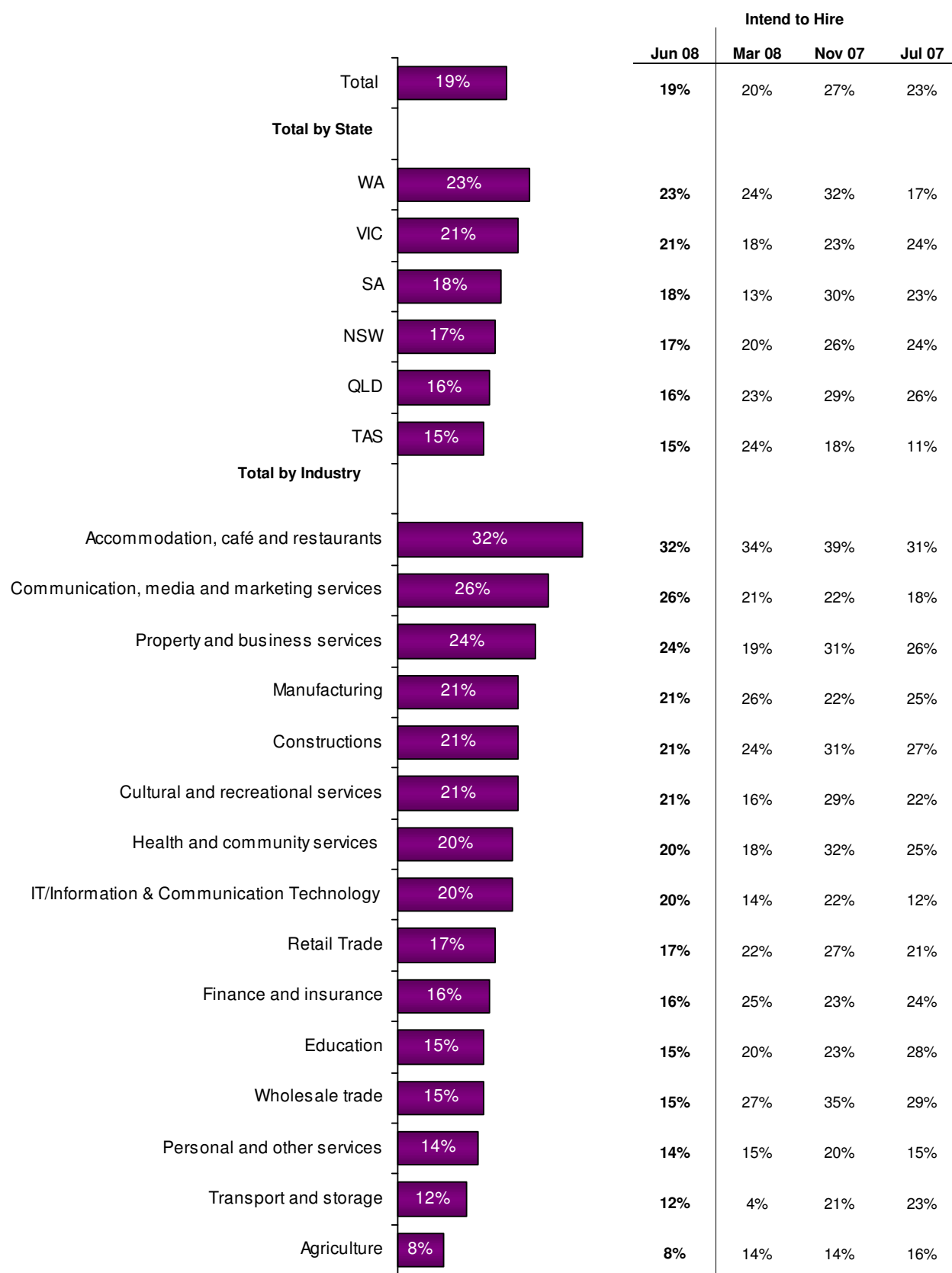


Figure 14.2: Expectation of hiring employees within the next 12 months by state and industry (%)



Base: Small business owners (n=1693)

Q9: Do you intend to hire or reduce employees within the next 12 months?

AMR Interactive, June 2008

Of the 19% of small business owners who intend on hiring more employees within the next 12 months, 46% are businesses with current staff levels of between 10 and 19 employees. A further 36% are businesses with between 5 and 9 employees.

The least likely to employ staff in the next 12 months are those small businesses that are currently run by sole traders (9%) and those with 1 employee (24%). Consistent with the trend noted in previous quarters, the larger the business, the more likely they are to be hiring over the next 12 months.

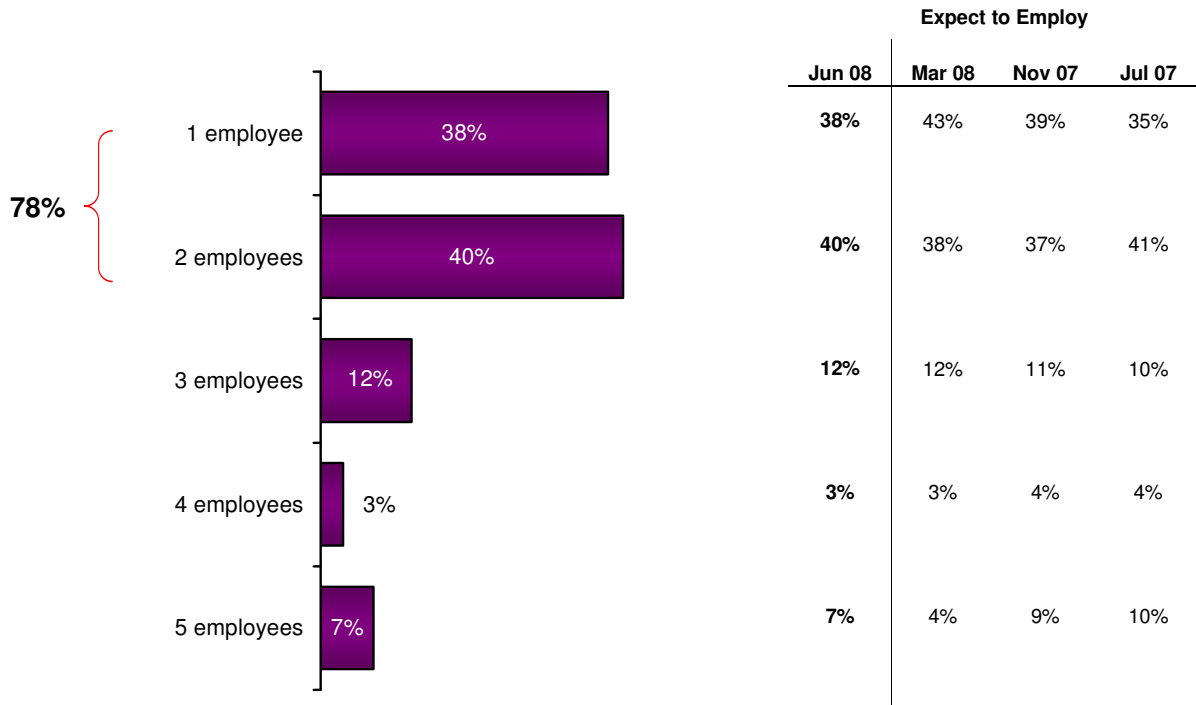
Small businesses in Western Australia are most likely to hire staff over the next 12 months (23%), followed by Victoria (21%). At the opposite end, Tasmanian small businesses are the least likely to hire employees over the next 12 months, with only 16% indicating an intention to hire.

Intention to employ is highest in the Accommodation, Café and Restaurant industry with 32% of small business owners indicating plans to hire more staff over the next 12 months. This is followed by the Communications, Media and Marketing industry where 26% intend to employ. Agriculture is the industry least likely to employ more staff with only 8% indicating they plan on hiring over the next 12 months.

Expectations for employment

Almost four-fifths (78%) of small businesses who intend to hire, expect to hire either 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=337)
 Q10: How many employees do you intend to hire in the next 12 months?

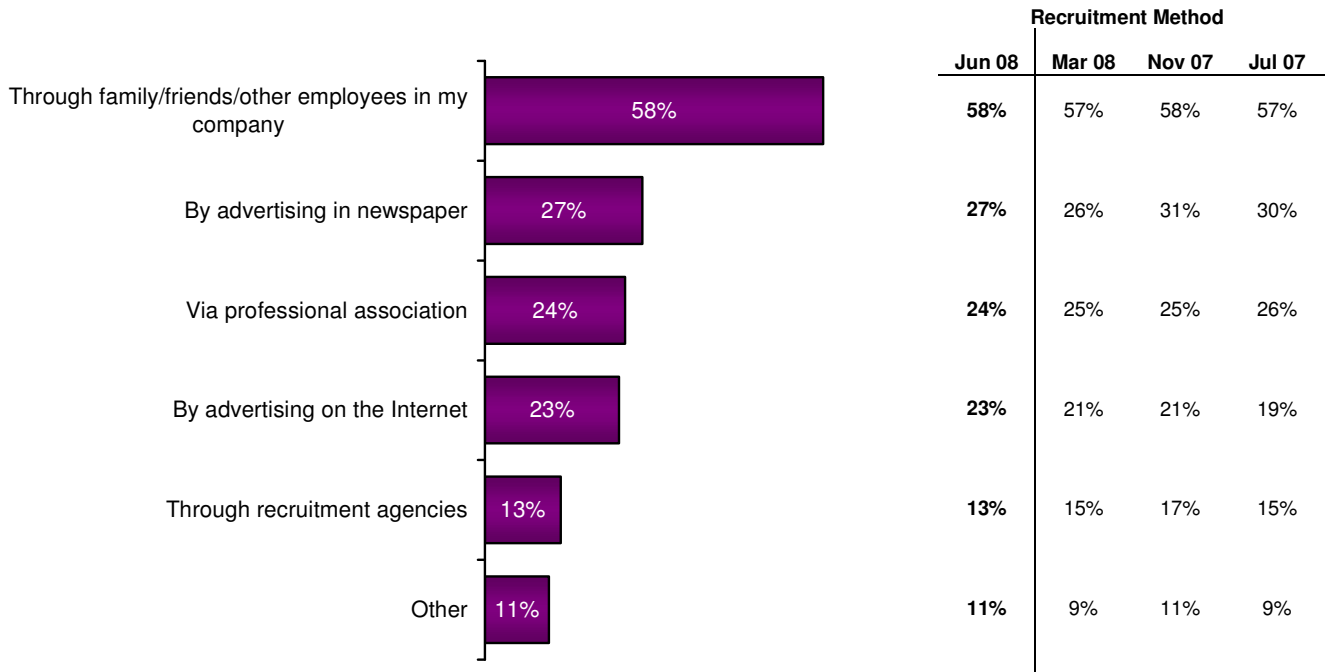
AMR Interactive, June 2008

Of the small business owners who expect to hire employees in the next 12 months (19%) 78% of these businesses expect to hire either 1 or 2 employees. This includes 38% who anticipate hiring 1 employee and 40% who anticipate hiring 2 more employees. These figures are consistent with previous quarters.

Preferred method of recruitment

The preferred method for recruiting new staff is through family, friends and other employees

Figure 16: Method of seeking employees (%)



Base: Small businesses that have one or more employees (n=1062)
 Q12: How do you find your employees? (Multiple responses)

AMR Interactive, June 2008

For 58% of small business owners surveyed, finding potential employees through friends, family and other employees is the most preferred recruitment method, followed by 27% of small business owners who find employees by advertising in newspapers. Consistent with previous quarters, small businesses are least likely to find potential employees through recruitment agencies (13%).

Type of employees

The most common type of employees among small businesses are full-time permanent

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%			
	Jun 08	Mar 08	Nov 07	Jul 07	Jun 08	Jun 08	Jun 08	Jun 08	Jun 08	Mar 08	Nov 07	Jul 07
Full-time permanent	59%	59%	28%	30%	4%	7%	9%	18%	38%	39%	68%	66%
Part-time permanent	85%	83%	70%	70%	8%	2%	0%	2%	12%	14%	28%	27%
Contract	89%	89%	77%	77%	4%	1%	0%	4%	9%	7%	22%	21%
Casual	83%	83%	66%	69%	7%	3%	1%	4%	15%	14%	31%	30%
Other	96%	84%	93%	93%	0%	0%	0%	3%	3%	16%	5%	6%

Base: Small business owners (1693)

Q13: What percentage of your employees are...full-time permanent, part-time permanent, contract, casual?

AMR Interactive, June 2008

A total of 38% of small businesses have full-time permanent employees. Fifteen percent (15%) of small businesses also have casual employees, and 12% have part-time permanent employees.

Appendix 1 – Preferred method of recruitment (additional breakdowns)

Table 3: Method of seeking employment additional breakdowns

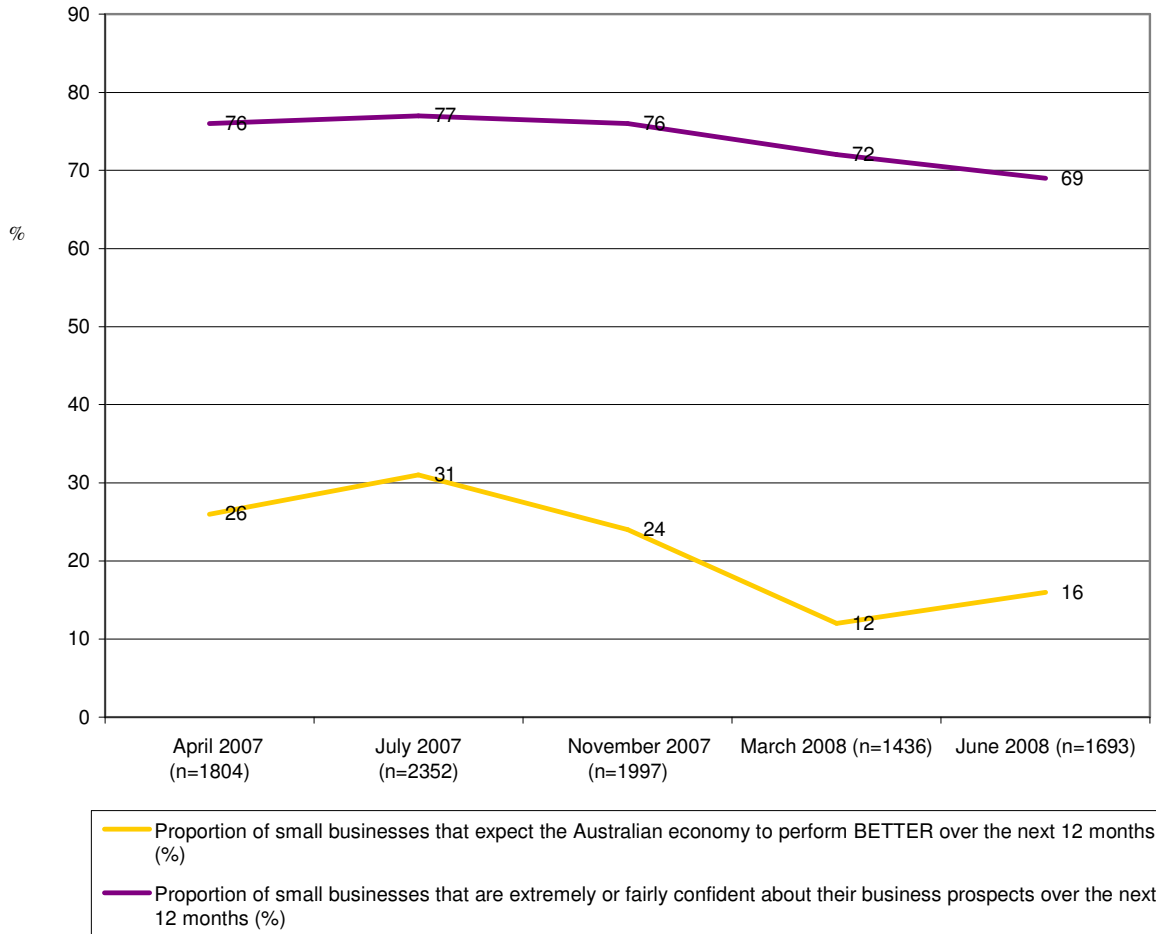
	Method of seeking employees					
	By advertising in newspapers	By advertising on the Internet	Through family/ friends/ other employees in my company	Via professional association	Through recruitment agency	Other
Total	27%	23%	58%	24%	13%	11%
Total by Gender						
Male	27%	23%	54%	27%	14%	12%
Female	26%	22%	63%	20%	12%	9%
Total by Size of Business						
Sole Trader (No employee)	19%	11%	53%	27%	5%	18%
1 Employee	19%	17%	61%	26%	11%	10%
2 to 4 Employees	27%	25%	60%	22%	14%	8%
5 to 9 Employees	45%	39%	53%	24%	22%	5%
10 to 19 Employees	50%	43%	62%	21%	30%	5%
Total by State						
NSW	30%	21%	60%	23%	10%	12%
VIC	19%	25%	57%	27%	15%	9%
QLD	27%	23%	57%	25%	14%	6%
SA	39%	21%	58%	22%	19%	14%
WA	30%	25%	58%	24%	13%	13%
TAS	22%	19%	67%	43%	15%	15%

Base: Small businesses that have one or more employees (n=1062)
 Q12: How do you generally find your employees? (Multiple responses)

AMR Interactive, June 2008

Appendix 2 – Confidence in business & economy outlook

Figure 17: Small businesses' confidence in business prospects and expectations for the economic performance over 12 months time

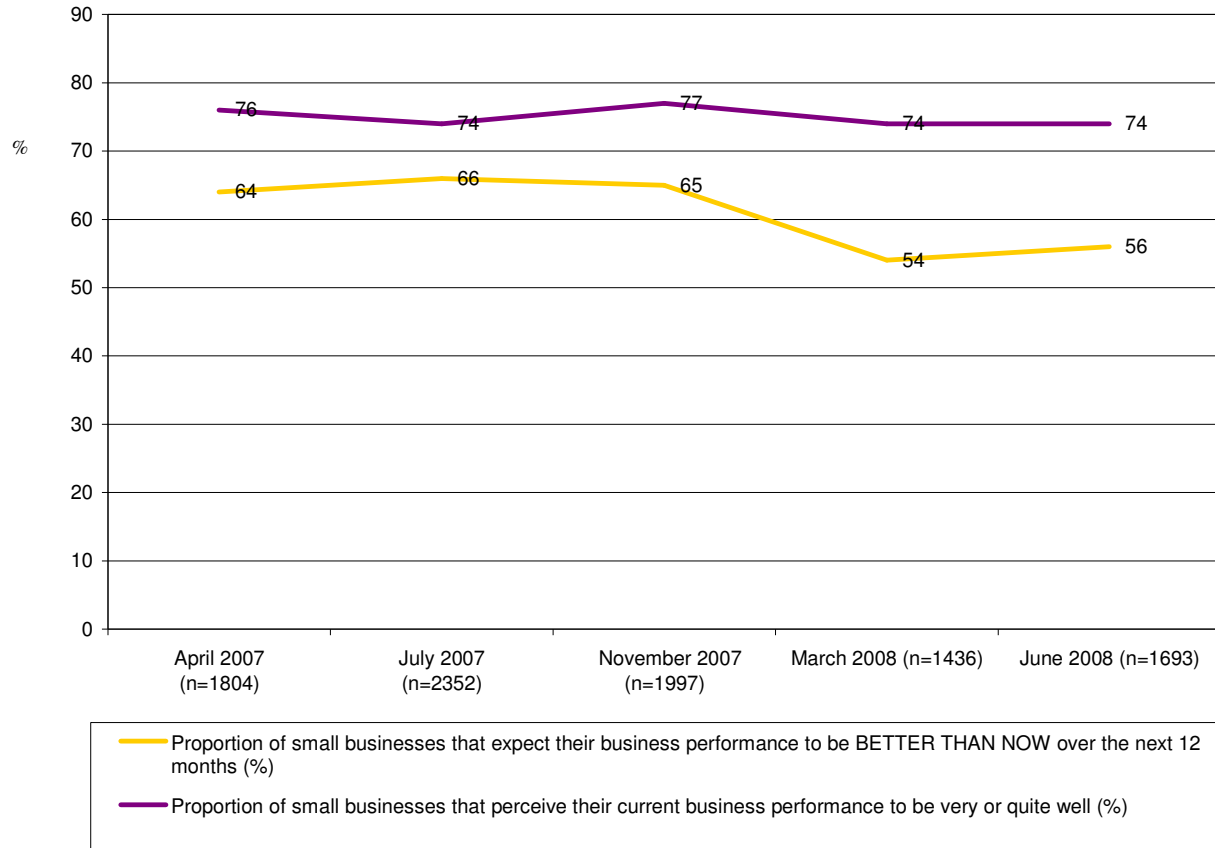


Base: Small business owners (1693)

AMR Interactive, June 2008

Appendix 3 – Perceptions of current and future business performance

Figure 18: Small businesses' perceptions of their current and future business performance



Base: Small business owners (n=1693)

AMR Interactive, June 2008

Appendix 4 – Positive & negative outlook for specific business issues

Figure 19: Proportion of small businesses with POSITIVE outlook for specific business issues over the next 12 months

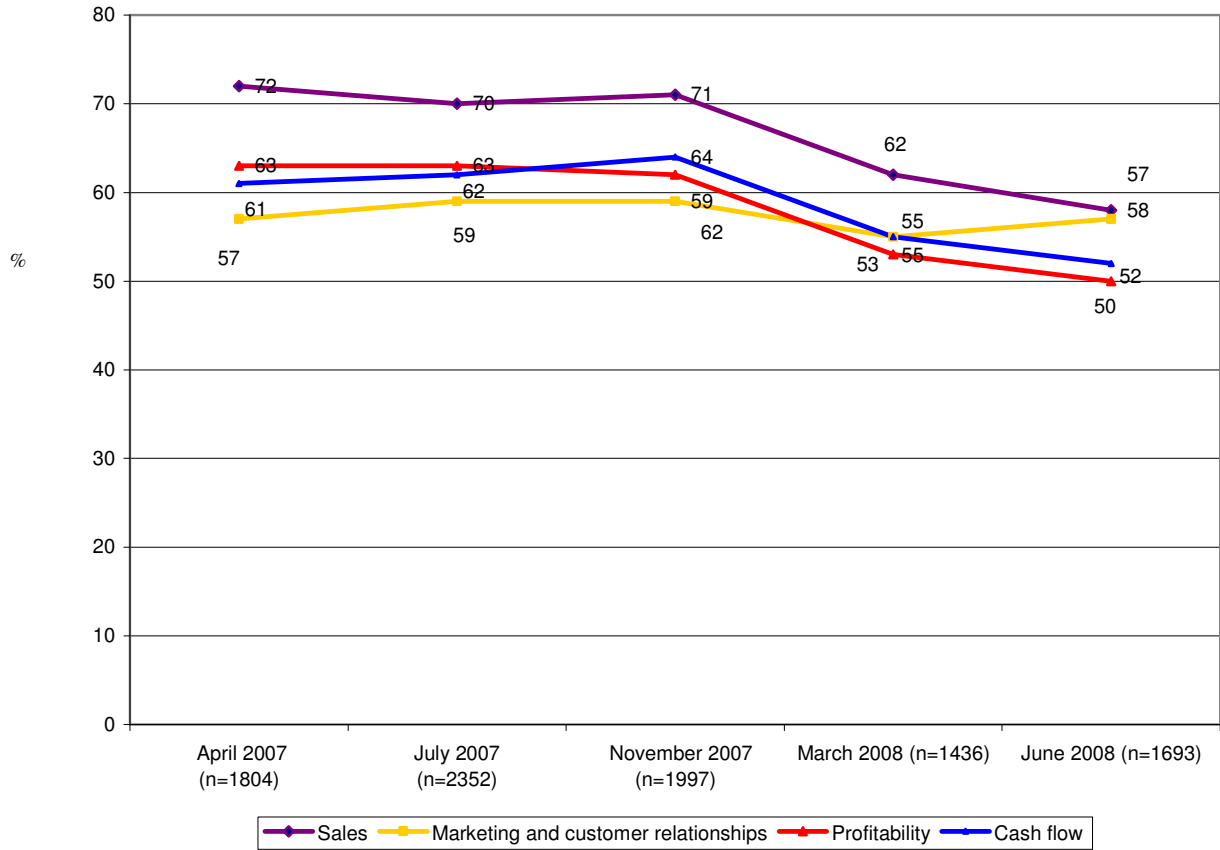
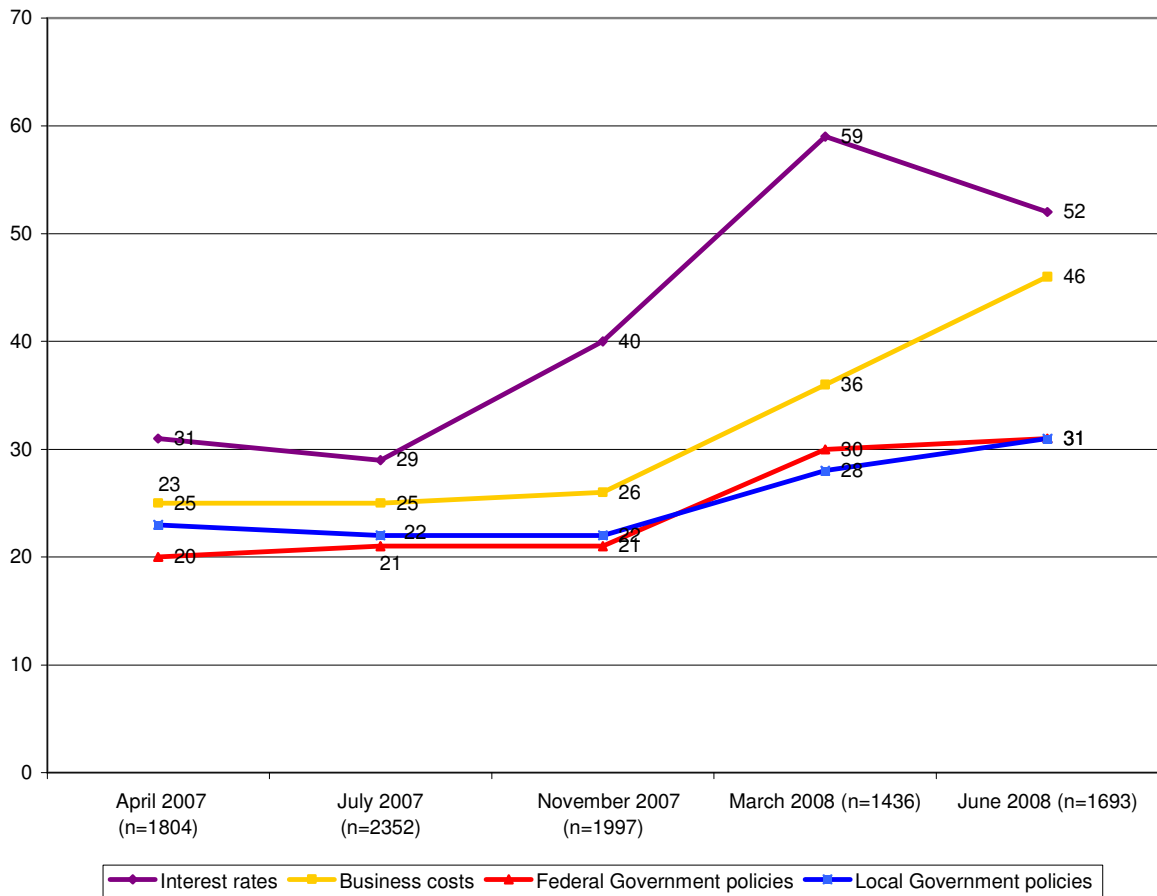


Figure 19.1: Proportion of small businesses with NEGATIVE outlook for specific business issues over the next 12 months

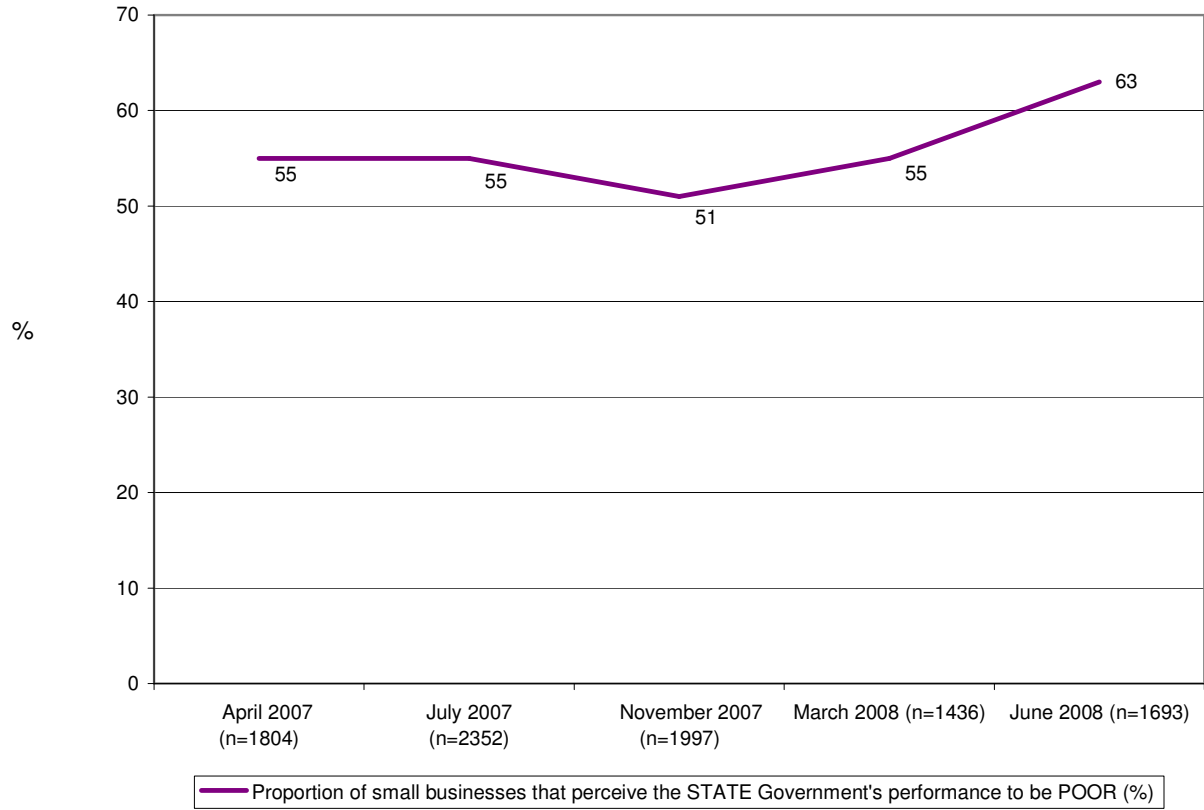


Base: Small business owners (n=1693)

AMR Interactive, June 2008

Appendix 5 – Perceptions of State Government performance

Figure 20: Small businesses' perceptions of the State Governments' performance in contributing to the development of small business in Australia



Base: Small business owners (n=1693)

AMR Interactive, June 2008

Appendix 6 – Sample demographics; Personal

Gender	
Male	60%
Female	40%

Age	
18-29 years	7%
30-39 years	19%
40-49 years	29%
50-59 years	30%
60-65 years	10%
Over 65 years	5%

Base: Small business owners (n=1693)

AMR Interactive, June 2008

Appendix 7 – Sample demographics; Business

Size of Business	
Sole trader (no other employees)	56%
1 full time employee	14%
2-4 full time employees	19%
5-9 full time employees	6%
10-19 full time employees	5%

Business or Consumers/Customers	
Business	35%
Consumers/Customers	29%
Both	32%
Other	2%
Unsure	3%

Length of Time Business Operating	
Less than 1 year	16%
1 to less than 5 years	34%
5 to less than 10 years	10%
More than 10 years	32%

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

Area of expenses	Percentage of expenses										
	0%			1%-10%	11%-20%	21%-30%	31%-50%	51%-100%	Total 1%-100%		
	Jun 08	Mar 08	Nov 07	Jun 08	Jun 08	Jun 08	Jun 08	Jun 08	Jun 08	Mar 08	Nov 07
Rent & property costs	31%	36%	30%	42%	15%	6%	4%	0%	67%	61%	65%
Salary/wages	21%	22%	19%	9%	12%	12%	20%	20%	73%	70%	73%
IT - software & hardware	17%	20%	12%	71%	7%	3%	1%	0%	82%	78%	82%
Plant equipment, furniture, materials and inventory costs	16%	19%	10%	43%	13%	9%	9%	4%	78%	74%	82%
Marketing, advertising & sales	36%	35%	30%	51%	9%	2%	1%	0%	63%	63%	67%
Energy use - electricity, gas, water, oil/petrol	12%	19%	9%	62%	14%	3%	5%	1%	85%	93%	87%
Research & Development costs	64%	65%	60%	30%	2%	0%	1%	0%	33%	34%	38%
Administrative costs - human resource management, accounting, finance	21%	19%	12%	60%	9%	4%	2%	0%	75%	76%	83%
Other	81%	64%	78%	8%	3%	2%	1%	2%	16%	9%	16%

Base: Small business owners (n=1693)

AMR Interactive, June 2008

Appendix 8 – Questionnaire items

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

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

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

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)

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

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 (Very positive, somewhat positive, Neutral, Somewhat negative, Very negative, 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
Q6 Business outlook for these issues

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

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%

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%

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/Not sure

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
5. Don't Know / Not sure
6. Will invest nothing to grow the business

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

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

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

How do you 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)

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

1. Full-time permanent
2. Part-time permanent
3. Contract
4. Casual
5. Other (specify)

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

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

The following questions to be asked are regarding the current Government's policies and budget.

If an election for the House of Representatives was 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. Don't care/ No political interest
12. Don't know
13. Other (specify)
14. Refused

Who do you think would make the better Treasurer out of Malcolm Turnbull and Wayne Swann?

1. Wayne Swann
2. Malcolm Turnbull
3. Don't know / Not sure
4. Refused
5. Don't care / No political interest

The new Federal Government has rolled back Work Choices and removed Australian Workplace Agreements and replaced this with 10 guaranteed minimum conditions to be administered by a body called "Fair Work Australia"
Before today, had you heard about this policy?

1. Yes
2. No
3. Don't know

What impact, if any, do you think the "Fair Work Australia" policy will have on your business?

1. Very positive impact
2. Positive impact
3. No difference - neither positive nor negative impact
4. Negative impact
5. Very negative impact
6. Don't know

The next few questions are about the Commercial Ready program The Commercial Ready program was a competitive merit-based grants program supporting innovation and its commercialisation. The program was delivered by AusIndustry, which is the Australian Government's business program delivery division within the Department of Innovation, Industry, Science and Research. The Federal Government announced the cancellation of this program in May this year, as part of the 2008-2009 Federal Budget.

Before today, had you heard of the "Commercial Ready" program?

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

Did you personally know of anyone who had made use of the "Commercial Ready" program?

1. Yes - myself
2. Yes - knew of someone else
3. No
9. Don't know

Before today, had you heard of the Government's decision to close the Commercial Ready program (from 14 May 2008)?

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

Before today, had you actively looked into, reviewed, or researched the new 2008-2009 Federal Budget in any way?

1. Yes
2. No

Overall, how do you feel the new Federal Budget will affect your business performance in general?

1. Very positive impact
2. Positive impact
3. No difference - neither positive nor negative impact
4. Negative impact
5. Very negative impact
9. Don't know

What, if any, impact do you feel each of the following budget initiatives (recently announced as part of the Federal Budget for 2008-2009) will have on your business performance in general? (Very positive impact, Positive impact, No difference - neither positive nor negative impact, Negative impact, Very negative impact, don't know)

Note: It is your opinion we are interested in. There are no right or wrong answers to this question.

Additional funding for apprentices and training places to assist with the skills shortage

Increase in skilled migration to assist with the skills shortage
 Childcare tax rebate for out-of-pocket childcare expenses increasing from 30% to 50%
 Personal income tax cuts
 Increased funding of Enterprise Connect
 Innovation Centres and funding to Business Enterprise Centres
 Increase in Medicare levy surcharge thresholds and low-income thresholds
 Depreciation of software purchases changed to over four years (previously 2.5 years)
 Eligibility for the entrepreneurs' tax offset will be subject to an income test
 Eligibility for the Baby Bonus will be limited to families with an adjusted taxable income of \$150,000 or less

For each of the following areas (e.g. health, education, etc), please select which Australian political party you personally feel has the most to offer you at this point in time.

Note: It is your opinion we are interested in. There are no right or wrong answers to this question.

Firstly, which party has the most to offer in the area of....

Economy
 Health
 Education
 Childcare
 Tax
 Foreign Affairs & Trade
 Small Business
 Superannuation
 Industrial Relations
 Environment
 National Security

These next few questions are about the hours you spend working to run your business... please think of the most recent 'typical work week' you experienced, that is, a usual week with no holiday/sick leave, public holidays, etc.

Thinking of the most recent 'typical work week' you experienced (i.e. no holiday leave, public holidays, sick leave, etc), how many hours did you work to run your business that week?

Your best estimate is fine

1. 0-10 hours
2. 11-20hours
3. 21-30 hours
4. 31-40 hours
5. 41-50 hours
6. 51-70 hours
7. More than 70 hours
9. Don't know / can't recall

And how many days per week did you work in the most recent 'typical work week'?

Your best estimate is fine

1. 1 day
2. 2 days
3. 3 days
4. 4 days
5. 5 days
6. 6 days
7. 7 days

On average, how many hours per day did you work in the most recent 'typical work week'?

Your best estimate is fine

1. 1 hour per day
2. 2 hours per day
3. 3 hours per day
4. 4 hours per day
5. 5 hours per day
6. 6 hours per day

7. 7 hours per day
8. 8 hours per day
9. 9 hours per day
10. 10 hours per day
11. 11 hours per day
12. 12 hours per day
13. More than 12 hours per day

In a typical day in your business, what proportion of your time is spent working outside of your office or workplace (e.g. with customers, on site, travelling, etc)?
Your best estimate is fine.

1. 0 hours per day- never work outside the office or workplace
2. 1 hour per day
3. 2 hours per day
4. 3 hours per day
5. 4 hours per day
6. 5 hours per day
7. 6 hours per day
8. 7 hours per day
9. 8 hours per day
10. 9 hours per day
11. 10 hours per day
12. 11 hours per day
13. 12 hours per day
14. More than 12 hours per day

In a typical day in your business, what proportion of your time do you physically spend sitting at a computer or laptop
Your best estimate is fine

1. 0 hours per day
2. 1 hour per day
3. 2 hours per day
4. 3 hours per day
5. 4 hours per day
6. 5 hours per day
7. 6 hours per day
8. 7 hours per day
9. 8 hours per day
10. 9 hours per day
11. 10 hours per day
12. 11 hours per day
13. 12 hours per day
14. More than 12 hours per day

In a typical day in your business, what proportion of your time do you physically spend online using the web/internet?
Your best estimate is fine

1. 0 hours per day
2. 1 hour per day
3. 2 hours per day
4. 3 hours per day
5. 4 hours per day
6. 5 hours per day
7. 6 hours per day
8. 7 hours per day
9. 8 hours per day
10. 9 hours per day
11. 10 hours per day
12. 11 hours per day
13. 12 hours per day
14. More than 12 hours per day

How often, if at all, do you use each of the following things online via the web/internet either at work or at home? (I don't do this online, every week or more often, a few times a month but less than weekly, a few times every 6 months but less than monthly, a few times a year but less than every 6 months, less than once a year)

Use online/internet banking
 Pay business bills on suppliers websites
 Use webmail (e.g. hotmail, yahoo, gmail, etc)
 Use a web-based calendar
 Store your documents online (e.g. via an online document storage application)
 Backup your business information online (e.g. online backup application)
 Use customer self-service tools online for various products/services (e.g. online technical support)
 Payment processing online (i.e. using a website as an EFTPOS terminal)
 Email marketing (e.g. to potential or existing customers)
 Transact with your customers (e.g. via a shopping cart) including accepting payments
 Online community or forum (e.g. noticeboards, advice, chat, etc)
 Blog
 Wiki or other knowledge management system
 Social applications, such as MySpace or Facebook, etc
 Distribute product brochures for your business
 Distribute photos, audio or video clips
 Distribute password-protected content (e.g. pricing or technical documents) to your customers
 Use Google Adwords or other Pay per Click advertising

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

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

Does your business have a domain name registered?

1. Yes
2. No
9. Don't know / not sure

Does your business currently use MYOB accounting software?

1. Yes
2. No

What is the main product, service or activity that your business provides?
 Please type your answer in the box below.

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)

Which state is your company predominantly based in?

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

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.

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

1. Yes
2. No

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

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

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

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

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)

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

What is your gender?

1. Male
2. Female

Which of the following categories best describes your age?

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

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

What is your partner's/ spouse's occupation?
 Please enter your response into the box below.

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

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

- Under \$25,000
- \$25,000 - \$39,999
- \$40,000 - \$59,999
- \$60,000 - \$74,999

\$75,000 - \$99,999
 \$100,000 - \$149,999
 \$150,000 - \$199,999
 \$200,000+
 Don't know
 I do not wish to answer this question

Who uses MYOB software in your business?
Please select all that apply.

1. Business Owner / Manager - in house
2. Bookkeeper/accounts/admin person - in house
3. Bookkeeper/accounts/admin person - outsourced/external
4. Accountant - in house
5. Accountant - outsourced/external
6. Spouse/partner
7. Other (specify)
9. Don't know / Not sure

Of these users, who uses MYOB software the most in your business?

1. Business Owner / Manager - in house
2. Bookkeeper/accounts/admin person - in house
3. Bookkeeper/accounts/admin person - outsourced/external
4. Accountant - in house
5. Accountant - outsourced/external
6. Spouse/partner
7. Other (specify)
9. Don't know / Not sure

Please select the MYOB software program(s) you are currently using in your business:
Please select all that apply.

Just Invoices
 Business Basics
 Accounting
 Accounting Plus
 Premier
 Premier Enterprise
 First Edge (Mac)
 Account Edge (Mac)
 M-Powered Services
 Payroll Enterprise
 Power Pay
 Retail Basics
 Retail Ready
 Retail Manager
 Retail Hospitality
 Accountant's Office
 Viztopia
 Single View
 Other (please specify)

How likely are you to recommend each of the following to another business owner? (for each of the products selected in Q19a) (Definitely recommend, probably recommend, not sure, probably not recommend, definitely not recommend)

How long ago, if at all, did you last complete a survey like this for MYOB?

1. Never done an MYOB survey before
2. Within the last 6 months
3. Longer than 6 months ago