



E-COMMERCE FINANCE PITCH TRENDS ADVERTISING AUSTRALIA SALES PERFORMANCE INDEX INVESTMENT COMPLIANCE PRODUCTS
 \$ MARKETING MANAGEMENT SECURITY POLICY WEBSITE ACCOUNT REPORT
 ENTREPRENEURSHIP

MYOB BUSINESS MONITOR: THE VOICE OF AUSTRALIAN BUSINESS OWNERS & MANAGERS

March 2013 report

ECONOMIC PERFORMANCE

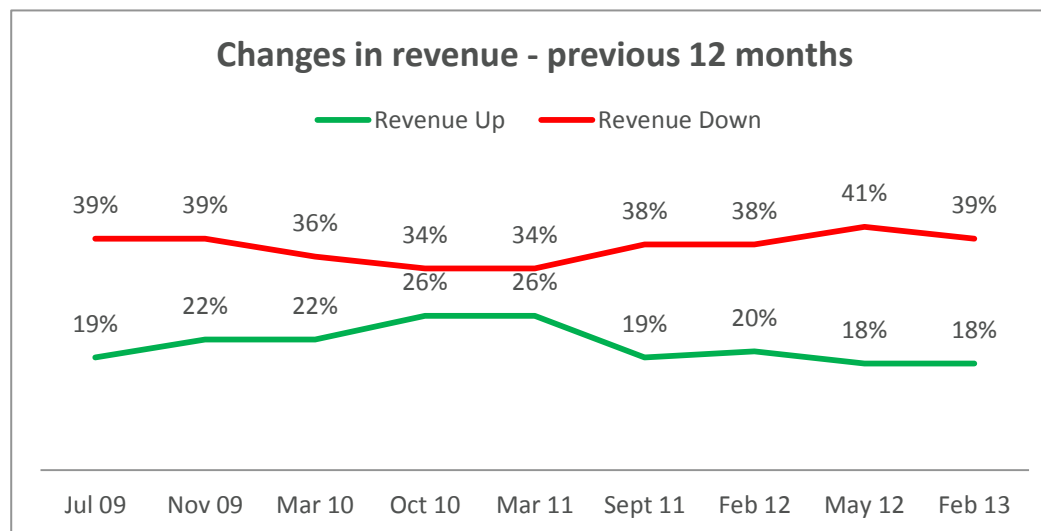
Business conditions remain steady

In the February 2013 Business Monitor survey on which this report has been based, Australian business owners and managers (herein known as 'operators') reported similar levels of revenue performance over the previous 12 months as they did in the previous three surveys.

While 39% reported a decrease in annual revenue, only 18% reported an increase. 40% said revenue has been steady and 3% were unsure.

As seen in the table below, there were no marked differences in positive annual revenue results by geographical location in this research wave.

By industry, the only significant difference was in the manufacturing and wholesale sector. More than half (52%) reported an annual revenue fall.



Annual revenue rise by location

	March 2011	September 2011	March 2012	May 2012	February 2013
Total Australia	26%	19%	20%	18%	18%
New South Wales	29%	17%	21%	17%	16%
Victoria	32%	21%	24%	17%	20%
Queensland	18%	17%	16%	18%	22%
South Australia	17%	28%	18%	14%	15%
Western Australia	21%	21%	19%	29%	22%
City/metro	26%	20%	20%	20%	21%
Regional	25%	18%	21%	17%	17%
Rural	29%	19%	21%	13%	16%

Green = Significantly higher than total

Red = Significantly lower than total

Economic sentiment on the rise

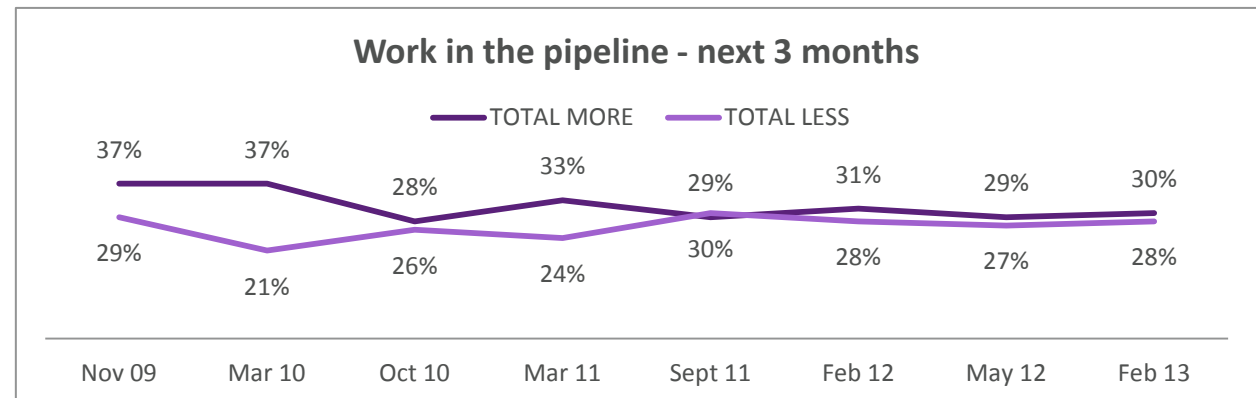
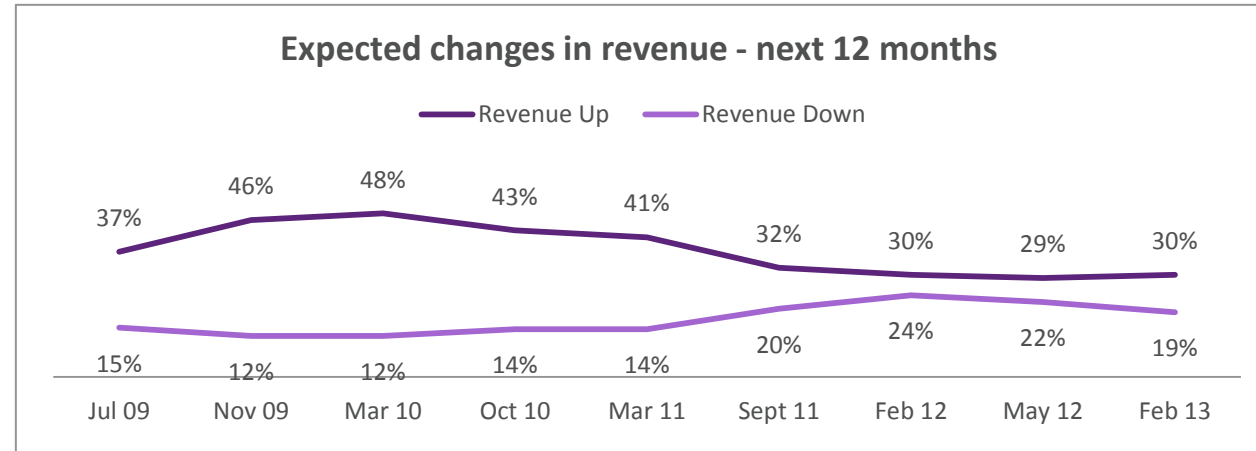
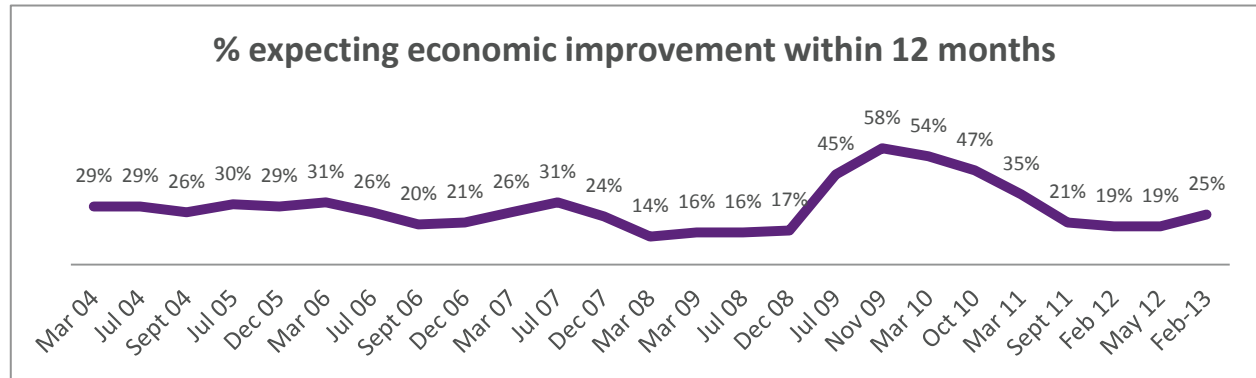
After a series of flat results in business operators' expectations of economic improvement, this survey showed one quarter (25%) expected the Australian economy to improve within 12 months (up from 19% in the May 2012 survey).

In stark contrast to the SME revenue performance experienced over the prior 12 months, a higher proportion of operators also expected a revenue rise in next 12 months (30%), compared to 19% who expected a revenue fall. 42% expected steady revenue and the remainder were unsure.

As for sales/work in the pipeline for the February to April quarter, this result was steady with the previous survey. 30% of business operators said they had more in the pipeline in this three-month period compared to usual (29% in the previous survey).

Gen Y business operators were the most optimistic generation, with 37% expecting the domestic economy to improve within 12 months (compared to 19% of Baby Boomers, the least optimistic), and 44% expected their revenue to rise in the next 12 months (compared to 24% of Baby Boomers).

Gen Y business operators were also the most likely to state they had more sales/work in their three-month pipeline (54% compared to 25% of Baby Boomers and 17% of Traditionalists).










Expectations by location

	% Expecting economic improvement within 12 months	% Expecting increase in revenue in next 12 months	% Reporting more sales/work in 3-month pipeline
Total AU	25%	30%	30%
New South Wales	27%	29%	32%
Victoria	24%	29%	26%
Queensland	23%	28%	30%
South Australia	21%	24%	27%
Western Australia	32%	35%	32%
Metro	31%	32%	35%
Regional/Suburban	20%	28%	26%
Rural	23%	27%	25%

Green = Significantly higher than total

Red = Significantly lower than total

Expectations by industry type

	 Agribusiness, Forestry & Fishing	 Business, Professional & Property Services	 Construction & Trades	 Finance & Insurance	 Manufacturing & Wholesale	 Retail & Hospitality	 Transport, Postal & Warehousing
% Expected economic improvement within 12 months	22%	29%	25%	38%	22%	26%	10%
% Expected increase in revenue next 12 months	16%	37%	21%	44%	32%	25%	27%
% Reported more in pipeline next 3 months	16%	35%	21%	37%	38%	29%	27%

Green = Significantly higher than total

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Investment intentions show emphasis on customer base

In the latest research wave, the area of business that operators were most likely to increase their focus on in 2013 was customer retention, with 38% planning to invest more here. Customer acquisition strategies were also high on the agenda, ranking second, with 35% planning to boost investment in this area. Coming in third was plans to increase the number or variety of products/services sold.

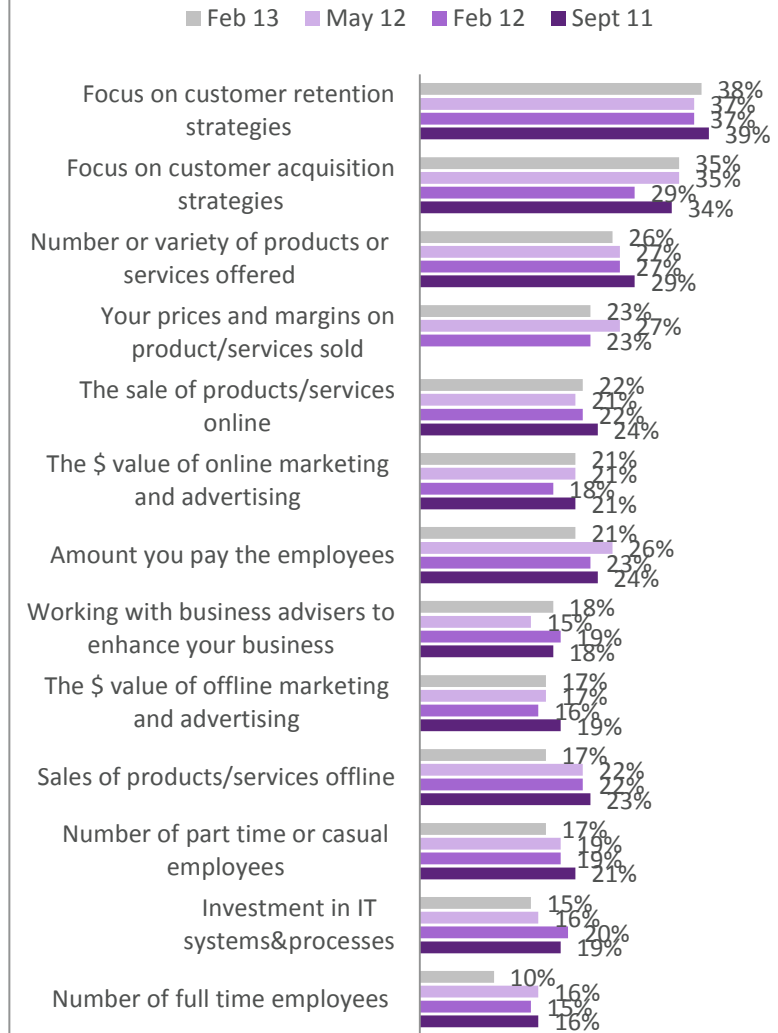
Compared to the previous survey, fewer operators intended to increase prices and margins on products or services sold (23% compared to 27% in the prior report), or increase the amount paid to employees (21% compared to 26% in the last wave). Sales of products offline (17% compared to 22% in the last wave) and the number of full time employees (10% compared to 16% in the last wave) were also less likely to see an increase.

Key differences

Key differences were noted across a number of areas, including by age of the business operator and the size of the business. As seen in the table overleaf, younger business operators were more likely to increase investment in the next 12 months across a number of areas compared to their older counterparts, particularly in regard to online activity. Small businesses (5 – 19 employees) were also more expansionary compared to sole operators, who were much less likely to invest across the board.

Industry sector differences also showed. Business, professional and property services stood out in terms of being more expansionary, while construction and trades companies were much less expansionary. Differences by state/territory were minimal.

Where businesses plan to increase investment










Investment by age of business operator and size of business

	TOTAL AU	Gen Y	Gen X	Baby Boomers	Traditionalists	Sole Operators	Micro	Small	Medium
Customer retention strategies	38%	42%	38%	36%	40%	34%	41%	53%	29%
Customer acquisition strategies	35%	39%	38%	33%	26%	31%	35%	55%	30%
No. or variety of products offered	26%	39%	31%	21%	15%	24%	25%	35%	32%
Prices/margin on products/services	23%	29%	25%	22%	17%	22%	29%	24%	15%
Sale of products/services online	22%	45%	27%	15%	8%	19%	24%	29%	26%
Amount employees are paid	21%	16%	23%	20%	22%	15%	30%	30%	42%
Value of online marketing	21%	29%	25%	18%	8%	15%	25%	36%	32%
Working with business advisors	18%	25%	22%	12%	17%	15%	23%	20%	19%
No. of part time/casual staff	17%	32%	21%	11%	8%	13%	18%	29%	30%
Sale of products/services offline	17%	24%	19%	16%	11%	16%	19%	17%	35%
Value of offline marketing	17%	22%	24%	13%	3%	15%	21%	21%	17%
Investment in IT systems & processes	15%	25%	18%	12%	10%	13%	15%	26%	16%
No. of full time employees	10%	21%	13%	6%	3%	5%	11%	24%	30%

Green = Significantly higher than total

Red = Significantly lower than total

Investment by industry type

	 Agribusiness, Forestry & Fishing	 Business, Professional & Property Services	 Construction & Trades	 Finance & Insurance	 Manufacturing & Wholesale	 Retail & Hospitality	 Transport, Postal & Warehousing
Customer retention strategies	25%	50%	28%	45%	29%	45%	36%
Customer acquisition strategies	17%	44%	29%	36%	41%	38%	30%
No. or variety of products offered	15%	30%	19%	11%	41%	40%	24%
Prices/margin on products/services	14%	25%	21%	20%	20%	26%	25%
Sale of products/services online	20%	29%	12%	9%	26%	31%	15%
Amount employees are paid	34%	22%	13%	17%	20%	26%	23%
Value of online marketing	11%	32%	9%	17%	17%	26%	16%
Working with business advisors	19%	23%	9%	22%	18%	14%	24%
No. of part time/casual staff	26%	23%	10%	8%	18%	19%	3%
Sale of products/services offline	14%	18%	16%	16%	22%	16%	23%
Value of offline marketing	6%	26%	11%	8%	21%	26%	9%
Investment in IT systems & processes	17%	19%	10%	19%	18%	13%	6%
No. of full time employees	9%	12%	4%	13%	16%	11%	12%

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Similar business pressures expected

When respondents were asked what elements of the business environment they expected to cause an extreme amount or quite a lot of pressure on their business in the next 12 months, fuel prices again came out on top, at 38%. This has occupied the number one position in the previous four surveys.

The pressure of fuel prices was even higher amongst some segments, particularly:

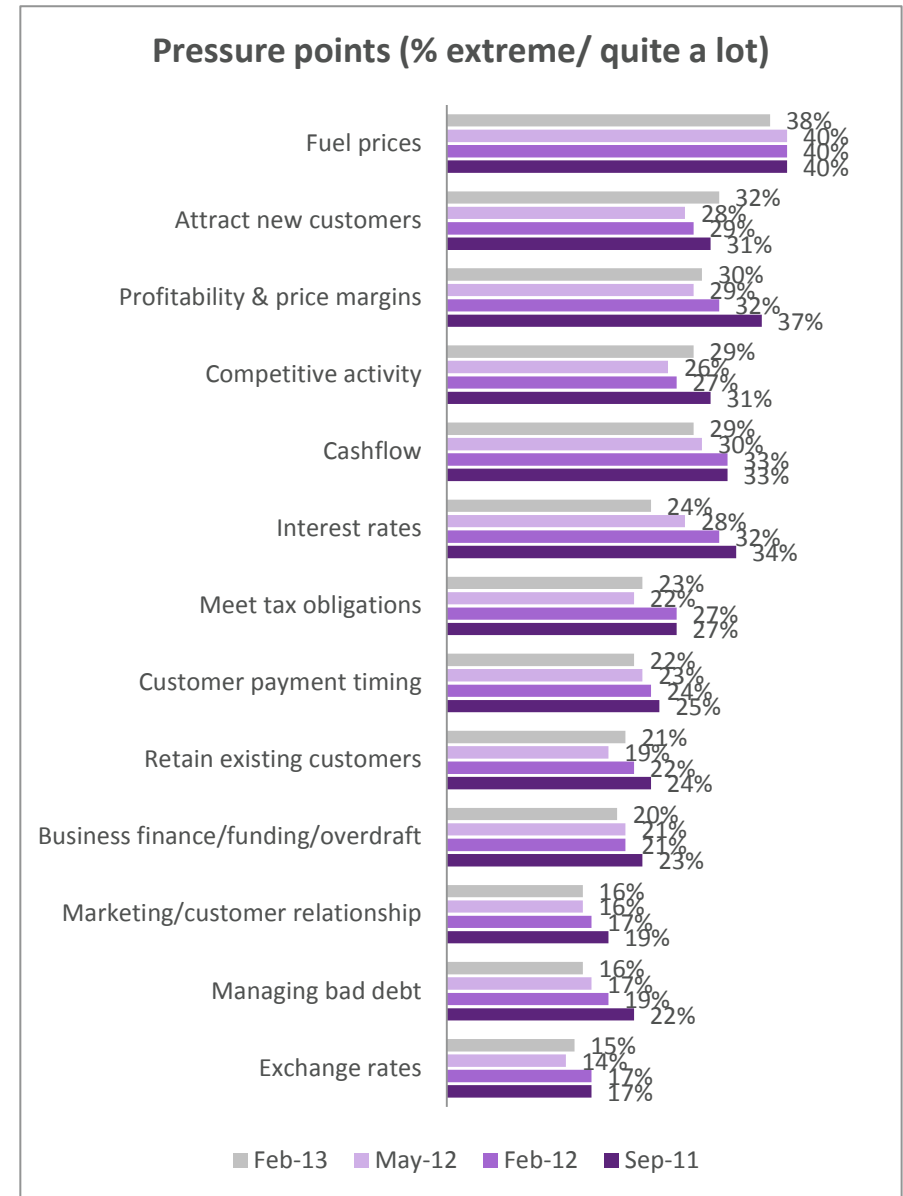
- Transport, postal and warehousing (67%), agribusiness, forestry and fishing (56%), and construction and trades businesses (47%)
- Rural businesses (50%)
- Established businesses (46%)
- Queensland businesses (45%)

The pressure of fuel prices was followed by four issues of relatively equal importance:

- Attraction of new customers (32%)
- Profitability and price margins (30%)
- Competitive activity (29%), and
- Cash flow (29%)

Attracting new customers has become a greater pressure this wave (up from 28% in May 2012 to 32% in this wave), while the pressure of interest rates has continued to decline (down to 24% from a high of 34% in September 2011).

Profitability and price margins ranked third, at 30%.



Attracting new customers

Looking at categories of businesses, attracting new customers was a greater pressure for:

- Businesses who reported a revenue fall in the previous 12 months (47%)
- Importers (44%)
- Businesses with a website (41%)
- Retail and hospitality businesses (37%)

Price margins and profitability

Price margins and profitability was a greater pressure for:

- Businesses who reported a revenue fall in the previous 12 months (45%)
- Importers (44%)

Competitive activity

Competitive activity was a greater pressure for:








- Importers (44%)
- Businesses with a website (37%)
- Businesses who reported a revenue fall in previous 12 months (37%)

Cash flow

Cash flow was a greater pressure for:

- Micro businesses (36%)
- Businesses who reported a revenue fall in the previous 12 months (41%)

Pressure points by industry

	 Agribusiness, Forestry & Fishing	 Business, Professional & Property Services	 Construction & Trades	 Finance & Insurance	 Manufacturing & Wholesale	 Retail & Hospitality	 Transport, Postal & Warehousing
Fuel prices	56%	29%	47%	21%	35%	36%	67%
Attracting new customers	28%	33%	32%	22%	33%	37%	35%
Price margins & profitability	36%	24%	34%	27%	37%	33%	47%
Competitive activity	20%	31%	36%	18%	34%	33%	25%
Cash flow	25%	29%	33%	28%	30%	28%	28%
Interest rates	27%	23%	26%	30%	18%	27%	32%
Meeting your tax obligations	11%	25%	30%	22%	16%	23%	9%
Timing of customer payments	15%	24%	28%	7%	24%	21%	25%
Retaining existing customers	11%	22%	23%	13%	25%	25%	22%
Business finance/funding/Overdraft	24%	19%	22%	23%	19%	20%	24%
Marketing and customer Relationships	11%	20%	13%	6%	16%	22%	12%
Managing bad debt	8%	17%	22%	11%	19%	14%	24%
Exchange rates	25%	12%	13%	11%	19%	22%	8%

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Business impact of penalty rates varies

In a new question this survey, business operators were asked how employee penalty rates had affected their business (shown in the table opposite).

While two-thirds (67%) stated that penalty rates did not affect their business, for those who did, the impact varied considerably.

The business operators most likely to report that penalty rates did affect their business (33% overall) included:

- Franchisors (72%) and franchisees (64%)
- Medium (67%) and small (54%) businesses
- Gen Y (52%) and Gen X (41%) business operators
- Importers (51%) and exporters (46%)
- Retail and hospitality businesses (44%)
- Establishing businesses (44%)
- Businesses using cloud computing (44%)
- Businesses with an advisor/consulting relationship with their accountant (44%)
- Businesses with a website (41%)

Ways in which penalty rates affect business	Total
Penalty rates do not affect my business	67%
Have a negative effect on profits	10%
Increase the hours the business owner(s) and/or manager(s) work	9%
Increase prices to end consumer	9%
Reduce the number of contractors/casuals/part time employees I hire	9%
Decrease the work hours allocated to staff	7%
Have a negative effect on overall business performance	7%
Have a negative effect on customer service levels during weekends/public holidays	5%
Prevent the business owner(s) and/or manager(s) from taking the holidays they want	5%
Other (please specify)	5%
Hire younger/less experienced staff	4%

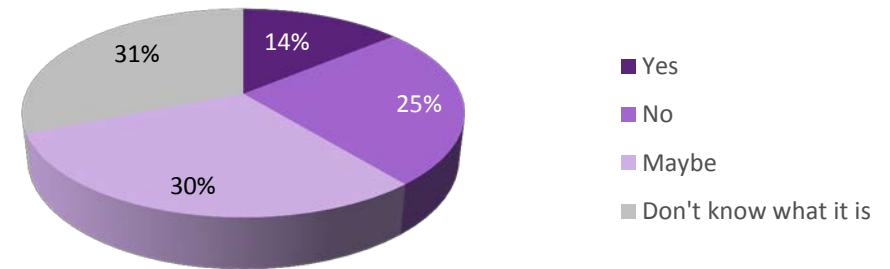
Small businesses unaware of instant asset write-off

Another new question this survey was about the use or intended use of the small business instant asset write-off in the 2012/2013 financial year.

As the chart opposite shows, almost one-third of businesses (31%) were unaware of the write-off, and only 14% had already used or planned to use it. 30% weren't sure whether they would or would not take it up.

Small businesses (5 – 19 employees) were most aware of the write-off (80%) and only 18% had not used nor planned to use the write-off. Finance and insurance companies were also more aware of the write-off (86%), but 45% had not used nor planned to use it.

Use of/intent to use small business instant asset write-off



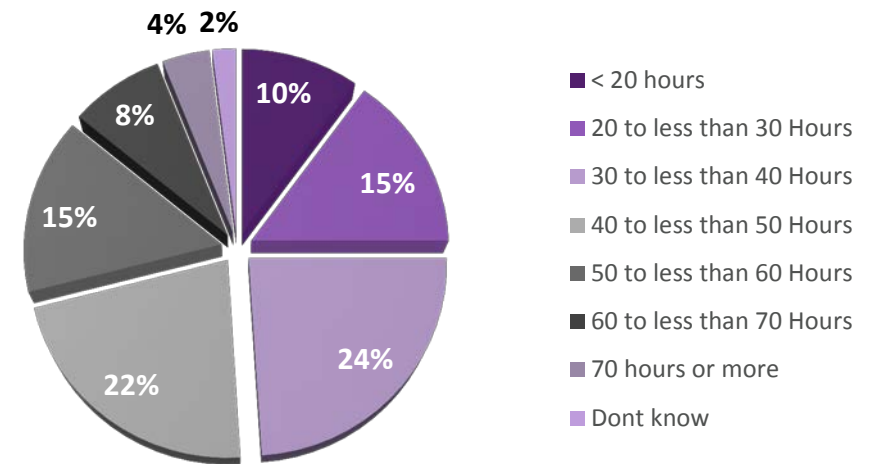
Hours worked in the business

While on average business operators worked almost 41 hours a week in their business, over one quarter of business owners and managers (27%) worked more than 50 hours.

Key differences in hours worked – who worked most

- Males worked on average 42.1 hours compared to 38.1 hours for their female counterparts.
- Gen X business operators worked on average 43.3 hours compared to 36.1 hours for Traditionalists.
- As the number of employees increased, so did the average hours worked.
- South Australian business operators worked 46.3 hours, quite a bit more than their Queensland counterparts, who worked 38.6 hours.
- Business operators in the services industries (finance, insurance, business, professional and property) worked fewer hours (37.5 hours) whereas those in agribusiness, forestry and fishing worked the most (46.3 hours).

Average hours worked per week



Average hours worked by no. of employees and gender



Figure 1: Average hours worked by no. of employees

ONLINE ECONOMY & CLOUD COMPUTING

Cloud computing take-up still low

The proportion of businesses stating they used cloud computing has remained constant at an average of 16%. This question was asked for the first time in the previous survey.

There were some significant differences within business categories, such as:

- Franchisors (54%) and franchisees (28%)
- Businesses whose revenue was up in the last 12 months (29%)
- Businesses with a website (28% compared to only 8% of businesses without)
- Business, professional and property services (27% compared to 9% of construction and trades)
- Importers (26%) and exporters (31%)
- Small businesses (25% compared to 14% of micro businesses and sole operators)
- Start-ups (24%) and establishing businesses (26%) compared to 9% of established businesses
- Businesses mainly working outside of the business (22%) compared to 10% of those only working from the business premises
- Gen X business operators (20% compared to 11% of baby boomers)

The most common reason why businesses used cloud computing was the ability to access data from whatever location they wanted (52%), followed by it enabling team members to telework (36%) and allowing better data security (30%).

The survey also found the financial chasm between the online-savvy and the online-cautious is widening. Those who use the cloud were 106% more likely to see a revenue rise in the past year than those who don't, up on 53% in the prior report.

Reasons for using cloud computing	Feb 2013 (n=165)
It gives us the ability to work on our data from whatever locations we want, or need, to work from	52%
It enables one or more of our team members to work remotely at times when they want to or need to	36%
Our data is better protected and safer online via one or more servers rather than via my own server	30%
The cost of our IT software and services is more affordable	27%
It enables us to reduce the number/range of IT issues we have to deal with personally	22%
It enables my employees and I to be more productive	22%
It's faster than our previous networking and servers or computers were	21%
So I don't have to install software on my computer	17%
It enables my accounting software to receive a direct feed of my bank account transactions	16%
The cost of our IT software and services is more flexible	14%

Business operators were asked what tasks they used cloud computing for. These tasks are shown opposite.

The most frequently mentioned were:

- File sharing
- File back-up
- Email
- File storage
- Online banking

Business operators who were not currently using cloud computing were asked their reasons for not doing so. Overall, the key issue was a lack of knowledge (35%).

Western Australia was the only state where business operators did not place this issue first. For them, the biggest barrier was not being tech savvy enough.

Business tasks undertaken using cloud computing	Feb 2013 (n=165)
File sharing	50%
File back-up (e.g. documents, photos, videos)	49%
Email	44%
File storage (not just back-up copies)	42%
Online banking	41%
Accounting	28%
Marketing	21%
Using social networking sites	21%
Instant messaging	20%
Web conference	18%
CRM (Customer Relationship Management)	16%
Project management	16%
Extra computing capacity/power	15%
E-commerce – shopping/buying online	12%
Voice communication	12%
E-commerce – selling online	9%








Reasons for not yet taking up cloud computing	May 2012 (n=778)	Feb 2013 (n=769)
I don't know enough about it to make the right business decisions about it	27%	35%
I am not very tech-savvy and don't feel confident about even starting to look at it for my business	17%	22%
It is of interest, but there are many more important other business priorities to take care of first	22%	21%
I'm unsure of the safety of storing my data in one or more servers or computers overseas	26%	19%
I'm unsure our business data would be as secure in the cloud as it is on our own server(s) or computer(s)	21%	18%
I'm unsure who actually has ownership of our business data once it's in the cloud	16%	13%
I think it is a passing phase in which the business doesn't need to get involved	6%	4%
Don't Know	8%	10%
Some other reason (please specify)	10%	9%

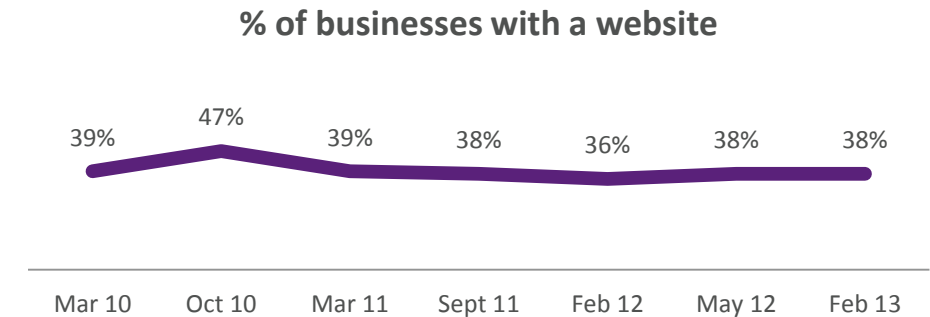
Business website ownership steady but low

The proportion of businesses with a website has remained statistically constant since March 2011. The February 2013 survey found 38% had a website, but size of business was a significant factor. Sole operators (29%) were less likely to have one than those with more than five employees (64%).

In the same vein, Traditionalists were less likely to have a website than Gen Y (24% compared to 48%). Businesses with a revenue rise in the preceding 12 months were more likely to have a website (48%) as were establishing businesses (46% compared to 27% of established businesses). Importers (64%) and exporters (58%), franchisees and franchisors (58% each), businesses using cloud accounting (67%) and businesses with an advisor/consulting relationship with their accountant(45%) were also more likely to have a website.

Key industry differences with website ownership are shown in the table below. While business operators in the business, professional and property services sector were much more likely to have a website, finance and insurance and construction and trades businesses lagged.

							
	Agribusiness, Forestry & Fishing	Business, Professional & Property Services	Construction & Trades	Finance & Insurance	Manufacturing & Wholesale	Retail & Hospitality	Transport, Postal & Warehousing
38%	29%	50%	24%	24%	48%	45%	26%



When asked which of a number of business changes had occurred through having a business website or through using that plus other promotional media, Australian businesses said a web presence alone had:

- Increased their customer leads - 45%
- Made them more able to vie with competitors - 42%
- Increased their customer interaction - 40%
- Resulted in a better conversion rate for sales leads - 37%
- Increased their revenue - 36%
- Enabled them to enter new business locations - 35%

Interestingly, Gen Y operators were more likely to say they had increased all of the above through other promotional media rather than websites.

Business operators were also asked about the online business tools they use. Almost half accepted online payments from customers via internet banking, while nearly one third purchased products and services online. Other online payment formats (shopping cart, mobile app, etc) were a small minority.








In terms of technology, almost half the business operators reported they were using one or more smartphones in the business, and just over one quarter reported they used one or more tablet devices.

Online marketing tools were also popular, with almost one quarter of business operators stating they used internet search engines and email marketing for their business.

The table on the following page shows the online tools used by industry type. Retail and hospitality business operators were much more likely to be using these tools, particularly compared to construction and trades businesses.

Online tools being used by businesses	Feb 13
TECHNOLOGY	
Use one or more smartphones	46%
Use one or more tablets (eg. iPad)	26%
INTERNET/EMAIL MARKETING	
Use internet search engines to promote business	23%
Conduct email marketing to customers	23%
BUYING/SELLING ONLINE	
Accept online payment from customers via internet banking	48%
Buy products/services online	32%
Sell products /services online (eg eBay, Trading Post, Trade Me)	14%
Sell products/services online directly to customers using your own website	12%
Accept online payment from customers via a shopping cart	11%
Accept online payment from customers via a mobile app	9%
SOCIAL MEDIA	
Use any form of social media for business purposes	20%
Connect with customers and fans via a business page on Facebook, YouTube or Google+	16%
Share news and updates via a company blog	9%
Communicate via micro-blogging sites such as Twitter	6%
BUSINESS NETWORKING	
Network with business colleagues and/or clients on LinkedIn	18%
Share business knowledge with others eg. an online business network	16%
OTHER	
Use Skype or VOIP to make free business phone calls	19%
Have internet access but do not do any / not interested in any of above activities	14%

Tools by business type

	 Agribusiness, Forestry & Fishing	 Business, Professional & Property Services	 Construction & Trades	 Finance & Insurance	 Manufacturing & Wholesale	 Retail & Hospitality	 Transport, Postal & Warehousing
Use one or more smartphones	44%	46%	48%	51%	46%	46%	35%
Use on or more tablets (eg. iPad)	22%	32%	19%	33%	29%	25%	11%
Use internet search engines to promote bus.	20%	26%	12%	26%	26%	28%	21%
Conduct email marketing to potential/ existing customers	25%	24%	14%	30%	26%	32%	9%
Accept online payment via internet banking	54%	51%	53%	22%	52%	51%	47%
Accept online payment via a shopping cart	14%	13%	3%	2%	17%	25%	16%
Accept online payment via a mobile app	9%	10%	7%	0%	16%	15%	7%
Sell products /services online (eg e-Bay)	23%	10%	10%	12%	31%	18%	11%
Sell products/services online directly to customers using your own website	11%	13%	8%	2%	21%	25%	6%
Buy products/services online	43%	32%	31%	25%	31%	36%	25%
Use any form of social media for business purposes	25%	21%	11%	17%	19%	30%	12%
Connect with customers & fans via a business page on Facebook, YouTube or Google+	20%	16%	10%	8%	17%	28%	12%
Share news and updates via a company blog	5%	13%	2%	10%	9%	11%	4%
Communicate via micro-blogging sites	3%	11%	1%	4%	3%	4%	0%
Network with business colleagues and/or clients on LinkedIn	14%	30%	9%	27%	12%	13%	11%
Share bus. knowledge with other bus.	13%	20%	13%	18%	22%	13%	10%
Use Skype or VOIP to make free business phone calls over the internet	9%	27%	10%	27%	28%	15%	6%
Have internet access but do not do any / not interested in any of above activities	5%	10%	19%	22%	8%	17%	17%

Green = Significantly higher than total

Red = Significantly lower than total

Businesses with a website and those using cloud computing were more likely to use all the online tools nominated than those without a website or not using cloud computing.

While it could be expected that Traditionalists were less likely to be using the majority of online tools than their Gen X and Gen Y counterparts, they were in fact more likely to use internet banking to receive payments (60% nominated this option). Gen Y business operators were more likely to use mobile shopping carts and apps to receive payment (23% and 21% respectively). Selling products online either via their own website or via eBay was also more prevalent among Gen Y business operators (23% and 22% respectively), and Gen Y business operators were much more likely to use social media (30%).

	Gen Y (18 – 29 years)	Gen X (30 – 49 years)	Baby Boomers (50 – 64 years)	Traditionalists (65+ years)
Using social media for business	30%	22%	18%	9%
Accepting payments via internet banking	38%	47%	49%	60%
Accepting payments via a shopping cart	23%	11%	11%	6%
Accepting payments via a mobile app	21%	11%	7%	2%
Selling products online via own website	23%	11%	12%	9%
Selling products online using eBay etc.	22%	12%	16%	6%

One in five connected to National Broadband Network

Fewer than one in five businesses (18%) stated they were connected to the National Broadband Network. Interestingly, there were no statistically significant differences by state or rural/metropolitan locations. Gen Y (34%), start-ups (26%) and Gen X (24%) business operators were more likely than their peers to state they were connected. Businesses using cloud computing were also more likely to be connected to the NBN (33%).

Over half were satisfied with internet access

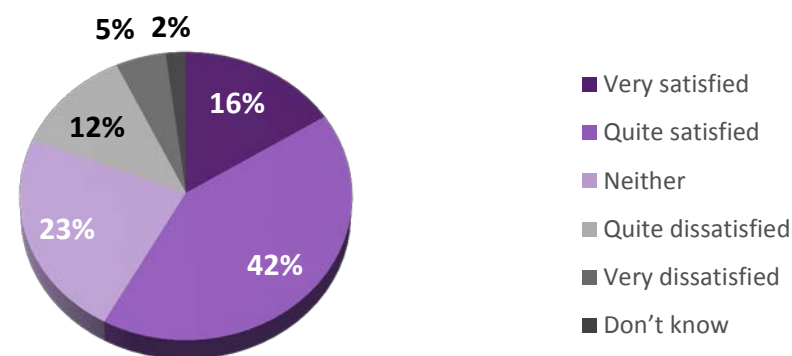
58% operators said they were either very satisfied (16%) or quite satisfied (42%) with their internet access (i.e. speed, reliability) in terms of enabling business health and ability to grow. However, there were some differences:

- Businesses connected to the NBN were more satisfied with their internet connection (68%) than businesses not connected to the NBN (56%).
- Businesses in transport, postal and warehousing were more satisfied (72%) than those in agribusiness, forestry and fishing (44%).
- Metropolitan based business operators were more satisfied (63%) than their rural counterparts (47%).
- Gen Y business operators were also more satisfied (68%) than other business operators.

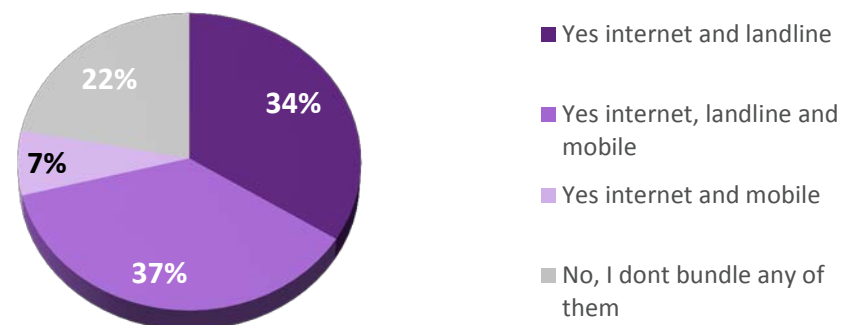
Telecommunications bundling more common than not

Over one in three (37%) were bundling internet, landline and mobile, while a further 34% were bundling internet and landline only. Over one in five (22%) did not currently bundle any of their telecommunication services. Traditionalists (45%) and regional business operators (42%) were more likely to bundle internet and landline, while rural business operators were more likely not to bundle any of their telecommunication services (29%).

Satisfaction with internet access



Telecommunications bundling



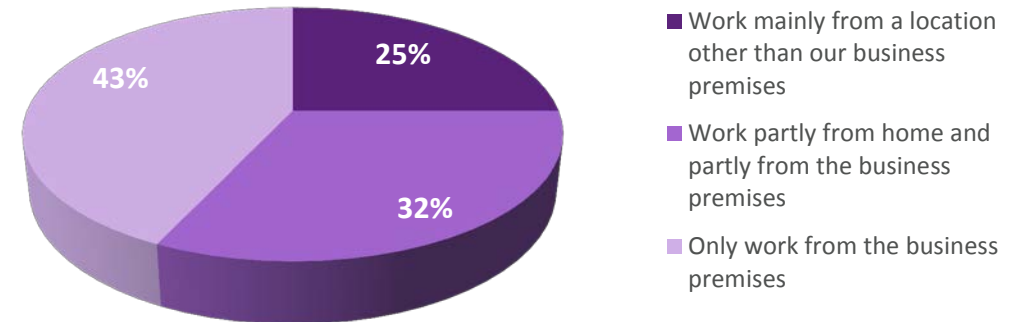
TELEWORKING

Over half of the business operators surveyed utilised some form of teleworking within their business, while 43% had employees working only from their business premises.

Teleworking was more likely to be used by:

- Medium sized businesses (79%)
- Businesses using cloud computing (73%)
- Business, professional and property services (70%)
- Start-up businesses (69%)
- Businesses with a website (63%)
- Metropolitan based businesses (67%)
- Gen Y (69%) and Gen X-run businesses (63%)

Incidence of teleworking



	Agribusiness, Forestry & Fishing	Business, Prof. & Property Services	Construction & Trades	Finance & Insurance	Manufacturing & Wholesale	Retail & Hospitality	Transport, Postal & Warehousing
Work mainly from another location	9%	31%	40%	15%	14%	16%	33%
Work partly from home/ partly from another location	26%	39%	20%	34%	47%	25%	29%
Only work from business premises	65%	30%	40%	52%	39%	60%	38%

Green = Significantly higher than total

Red = Significantly lower than total

To assist with teleworking, business operators were most likely to use email (66%), a laptop/computer (58%) and a smartphone (55%). Instant messaging was utilised by one quarter of business operators (25%).

Teleworking was seen to provide a number of business benefits, with the top three being:

- Happier employees - 31%
- Reduced travel costs - 28%
- More productive employees - 27%

Business benefits of teleworking	Total (n=594)
Employees are happier	31%
Travel costs have been reduced	28%
Employees are more productive	27%
I can hire employees living in any location/s	17%
IT costs have been reduced	16%
Overall IT performance has been improved	15%
Business manager(s) is/are happier	13%
My business's carbon footprint has been reduced	12%
Premises rental costs have been reduced	11%
The number of employee sick days has dropped	10%
I can attract higher quality staff	10%
IT issues have been reduced	9%
Other	12%

Technologies used to assist teleworking	Total (n=594)
Email	66%
Laptop/computer	58%
Smartphone	55%
Instant messaging	25%
Telephone conferencing	19%
Security software / firewall	18%
Cloud computing services	11%
VOIP	9%
VPN (virtual private network)	7%
Router at the teleworker's premises	6%
Videoconferencing	6%
Other	6%

Happier staff was the benefit most likely to be mentioned by small businesses (52%), businesses with a website (40%) and business, professional and property services businesses (39%). Reduced travel costs was the most frequently mentioned benefit among Baby Boomers (36%), while productivity improvements was the most frequently mentioned benefit amongst Gen Y business operators.

ACCOUNTANCY SERVICES

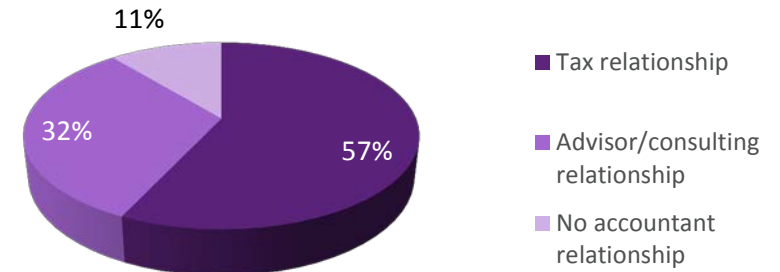
This wave, business operators were asked questions relating to the type of services provided by accountants and the value obtained from these services. The majority (57%) indicated they had a tax relationship only with their accountant, and a further 11% had no accountant relationship.

The 32% of operators that had cited an advisor/consulting relationship were asked what services were the most valuable. As indicated below, compliance was still perceived to be the most valuable service (cited by 77% of these operators). This was followed by advice on managing money (53%) then advice on growth strategies (34%).

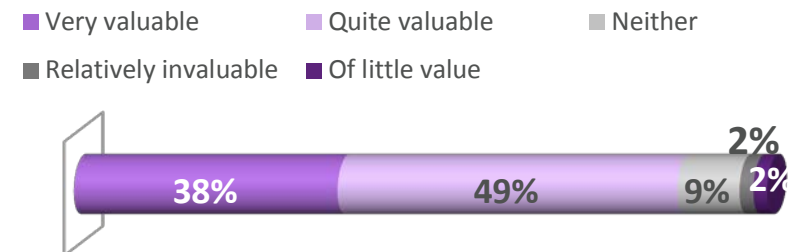
Top three most valuable accountant's services	Total (n=298)
Keeping my business compliant with tax, payroll and other regulations	77%
Advice on how to best manage the money that flows through my business	53%
Advice on strategies that will help me grow my business	34%
Providing me with the right advice and documentation for obtaining funds to grow the business	29%
Advice on what operational business moves to make e.g. setting pricing	18%
Helping me create a business plan	12%
Benchmarking my business results against others	9%
Restructuring my business for resale	5%

The majority of operators with an advisor/consulting relationship were very satisfied with the services provided by their accountant. 88% of these operators found their accountant's services valuable (49% quite valuable, 38% very valuable).

Relationship with accountant



Value of accountant's services



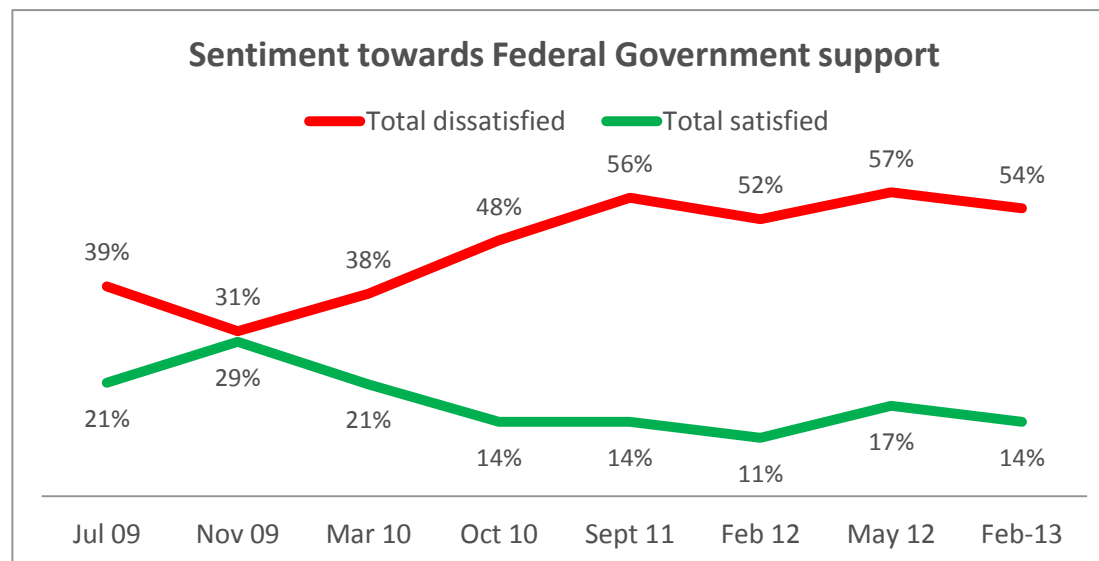
GOVERNMENT

Federal Government dissatisfaction on the rise

The level of dissatisfaction with the Federal Government has remained high. 54% expressed dissatisfaction with its level of support for businesses such as theirs, a situation that has seen an upward trend since November 2009.

Higher levels of dissatisfaction were noted among various business categories within the research:

- Traditionalists (65%) and Baby Boomers (61%) - compared to 45% of Gen X and Gen Y business operators
- Businesses that reported a revenue fall in the prior 12 months - 69% compared to 38% whose revenue rose
- Established businesses - 61% compared to 48% of establishing businesses



Business operators were asked about policies or initiatives that might influence their vote for or against the party promoting them. As seen in the table following, the most popular initiatives were significantly simplifying the GST/BAS reporting process, the abolition of the Federal carbon tax and increased Federal Government investment in transport infrastructure in our major states and cities.

At the other end of the scale, the sale of state assets to assist reducing Government debt levels and the introduction of a heavy transport fuel tax were more likely to cause operators to vote against the party proposing them (44% and 42% respectively).

Baby Boomers and Traditionalists were much more likely than their younger counterparts to vote for increased government investment in transport infrastructure (68% compared to 54%). Small businesses were more likely to vote for policies that reduced payroll tax (80%) and penalty rates (57%).

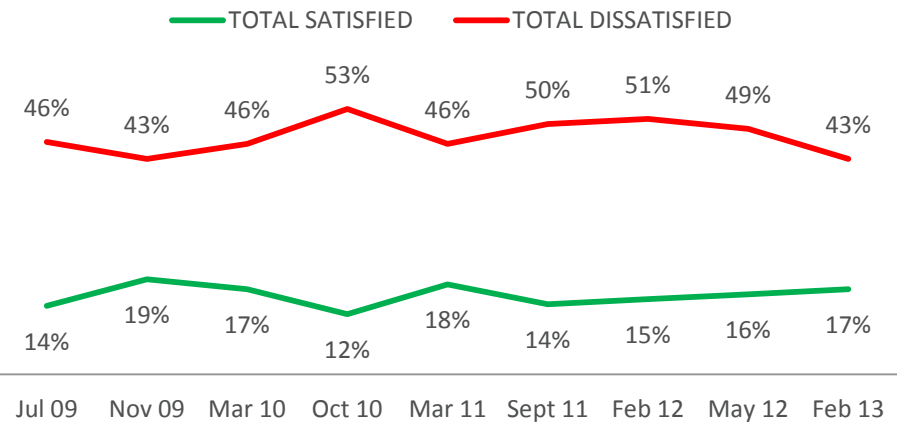
Policies or initiatives that business operators would vote for/against	For	Against
Policies that significantly simplify the GST/BAS reporting process	65%	7%
The abolition of the Federal carbon tax	63%	16%
More Federal Government investment in transport infrastructure in our major states and cities	61%	7%
Increased Federal Government funding for skills, training and apprenticeship programs	57%	7%
A reduction in payroll tax	57%	6%
Increased Government funding for innovation, research and development by Australian businesses	53%	9%
Waiving any penalty interest charges on late tax payments for start-up businesses in their first two years of operation	53%	11%
Providing free Government-funded training to all small businesses on how to use the Internet to enhance and grow their business	51%	10%
The creation of a single flat tax for personal tax and company tax	49%	18%
Further cutting Government expenditure to return to surplus faster	42%	26%
The abolition of the rise of the superannuation guarantee levy from 9% to 12% by July 2019	34%	28%
A reduction in weekend and public holiday penalty rates required for staff	33%	24%
More Government intervention into the value of the AUD\$ dollar	32%	18%
The sale of State assets to assist reducing Government debt levels	23%	44%
The introduction of a heavy transport fuel levy	21%	42%

State Government dissatisfaction falls

Business operators were also asked about their satisfaction with the level of support from their State Government. As seen in the chart opposite, dissatisfaction has dropped in the nine months to this survey, from 49% in May 2012 to 43% in February 2013.

The highest levels of dissatisfaction were from South Australian business operators (65% - an increase from 55% in the May 2012 survey), followed by New South Wales operators (45% - up on 42%). Dissatisfaction levels dropped significantly in Queensland since the last survey from 56% to 35% this wave, while in Western Australia, dissatisfaction levels were the lowest of the mainland states at 31% (down on 37% in the previous wave). Victoria also recorded a drop in dissatisfaction from 55% in May 2012 to 43% in February 2013.

Perceptions of State Government support for SMEs



About the study

The MYOB Business Monitor researches business performance and attitudes regarding areas such as profitability, cash flow, pipeline work, technology usage and the government. This report presents the summary findings for key indicators from the MYOB Business Monitor comprising a national sample of **1,005** business owners, managers and directors (operators), conducted from January 17th to February 4th 2013. The businesses participating in the online survey were both non-employing and employing businesses. All data has been weighted by industry type, location and number of employees, which are in line with the Australian Bureau of Statistics (ABS - Counts of Australian businesses, including *entries & exits, June 2007 - June 2009 - 8165.0*).

This research report was prepared by *Gundabluey Research* and fieldwork was completed by *Colmar Brunton* (a Millward Brown Company) for Kristy Sheppard, Public Relations & Corporate Affairs Manager – Australia, MYOB Australia Limited kristy.sheppard@myob.com | <http://myob.com.au>

Industry	Weighting	No.
Agribusiness, forestry and fishing	10%	35
Construction and trades	17%	153
Finance and insurance* ¹	7%	55
Manufacturing and wholesale	8%	64
Professional and business services	26%	274
Retail and hospitality	11%	137
Transport and warehousing* ¹	7%	32
Other industries** ² (incl. in total results)	15%	255
TOTAL	100%	1005

Location	Weighting	No.
New South Wales	33%	323
Victoria	25%	289
Queensland	20%	210
South Australia	7%	68
Western Australia	10%	78
Other	5%	37
TOTAL	100%	1005

¹ Caveat: There is high margin of error of +/-15% @ 20% on these small bases

² Other Industries, which have been combined to minimise their margin of error, include these sectors: Communication Services; Cultural & Recreational Services; Education; Electricity, Gas & Water Supply Services; Health & Community Services; Mining; and Personal & Other Services

Number of employees/business type	Weighting	No.
0 employees/sole traders	60%	630
1-4 employees/micro business	24%	226
5-19 employees/small business	11%	117
20-199 employees/medium business	4%	32
TOTAL	100%	1005

The generations were categorised as follows:

- Generation Y: 18 – 29 years of age
- Generation X: 30 – 49 years of age
- Baby boomers: 50 – 64 years of age
- Traditionalists: 65+ years of age

Length of time in business was categorised as per the following:

- Start-up: in business fewer than 2 years
- Establishing: 2 to 5 years
- Maturing: 5 to 10 years
- Established: 10+ years