Method

- Interviews were conducted online amongst small and medium business owners and managers.
- All members of SME Association of Australia (SMEAA) and recipients of My Business newsletter, were sent an email inviting them to participate in a survey about their business outlook.
- SMEAA supplied the email data base.
- The survey was designed by McNair Ingenuity Research and Stable Research.
- Stable Research programmed the questionnaire into WebSurvey Creator.
- Validations were conducted on 75% of 5% of interviews.
- Analysis and reporting was conducted by McNair ingenuity Research.
- Results in this report are based on unweighted data.
648 small to medium enterprise owners and managers responded to the survey.

There were 75 different industries represented (based on ANZIS codes) with the greatest number of respondents coming from property and business services industries (44%), manufacturing (16%) and wholesale or retail trading (11%).

On average respondents had 12.4 full-time employees with 9% being sole traders and 29% employing just one other full time person.

53% employed some part-time staff and 47% employed some casual staff.

68% of the respondents were male and 32% female.

More than half were over 50 years old.

52% of respondents were in businesses that had been trading for more than 10 years.

More than half (52%) had an annual turnover of less than $500,000 with 32% less than $200,000.
What is your primary business type?

- Respondents mostly had businesses in:
  - Property or Business Services (44%);
  - Manufacturing (16%); or
  - Wholesale or Retail trading (11%).

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Business Services</td>
<td>20%</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>10%</td>
</tr>
<tr>
<td>Technical Services</td>
<td>7%</td>
</tr>
<tr>
<td>Legal and Accounting Services</td>
<td>6%</td>
</tr>
<tr>
<td>Other Personal Services</td>
<td>5%</td>
</tr>
<tr>
<td>Computer Services</td>
<td>5%</td>
</tr>
<tr>
<td>Other Personal and Household Good Retailing</td>
<td>4%</td>
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<tr>
<td>Marketing and Business Management Services</td>
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<tr>
<td>Other Wholesaling</td>
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<tr>
<td>Other Education</td>
<td>3%</td>
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<tr>
<td>Building Construction</td>
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</tr>
<tr>
<td>Other Health Services</td>
<td>2%</td>
</tr>
<tr>
<td>Services to Finance and Investment</td>
<td>2%</td>
</tr>
<tr>
<td>Real Estate Agents</td>
<td>1%</td>
</tr>
<tr>
<td>Other Recreation Services</td>
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<tr>
<td>Public Order and Safety Services</td>
<td>1%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>1%</td>
</tr>
<tr>
<td>Printing and Services to Printing</td>
<td>1%</td>
</tr>
<tr>
<td>Telecommunication Services</td>
<td>1%</td>
</tr>
<tr>
<td>Other Food Manufacturing</td>
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<tr>
<td>Scientific Research</td>
<td>1%</td>
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<tr>
<td>Motor Vehicle Services</td>
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</tr>
<tr>
<td>Radio and Television Services</td>
<td>1%</td>
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<tr>
<td>Publishing</td>
<td>1%</td>
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<tr>
<td>Services to Insurance</td>
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<tr>
<td>Clubs (Hospitality)</td>
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</tr>
<tr>
<td>Other Transport</td>
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</tr>
<tr>
<td>Fabricated Metal Product Manufacturing</td>
<td>1%</td>
</tr>
<tr>
<td>Horticulture and Fruit Growing</td>
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</tr>
<tr>
<td>Services to Agriculture</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

n=648
Number of Employees

**Full time employees**

- **No. Employees**
  - Full-time: 12.4
  - Part-time: 2.9
  - Casual: 4.0

**Years of Trading**

- Full-time: 17.2
- Part-time: 4.6
- Casual: 4.0

- <3: 0.7
- 3-5: 1.4
- 6-10: 5.2
- >10: 17.2

**n=648**
Gender

Are you…?

Male: 68%
Female: 32%

Years of Trading

- <3: 44% Male, 56% Female
- 3-5: 49% Male, 51% Female
- 6-10: 33% Male, 67% Female
- >10: 28% Male, 72% Female

No. Employees

- 1: 37% Male, 63% Female
- 2: 28% Male, 72% Female
- 3-5: 34% Male, 66% Female
- Full time: 27% Male, 73% Female
- 6-19: 18% Male, 82% Female
- 20+: 31% Male, 69% Female
- Part time: 29% Male, 71% Female

n=648
What is your age?

- Under 30: 2%
- 30-39: 8%
- 40-49: 23%
- 50-59: 38%
- 60-69: 23%
- 70 years or over: 5%

Years of Trading

- <3: 7%
- 3-5: 5%
- 6-10: 1%
- >10: 1%

No. Employees

- Under 30: 1%
- 30-39: 2%
- 40-49: 3%
- 50-59: 10%
- 60-69: 26%
- 70 years or over: 9%

- Full time: 8%
- Part time: 23%
- Casual: 25%

n=648
What is your highest level of education?

- High School: 17%
- Diploma: 25%
- University: 25%
- Post Graduate: 29%
- Other: 4%

Years of Trading

- <3: 7%
- 3-5: 21%
- 6-10: 26%
- >10: 4%

No. Employees

- 1: 4%
- 2: 33%
- 3-5: 27%
- 6-19: 27%
- 20+: 24%

- Full time: 4%
- Part time: 4%
- Casual: 4%

n=648
**Business Role**

Which of the following describes your role?

- Small business owner: 75%
- Small business advisor: 8%
- Small business manager: 12%
- Other: 5%

**Years of Trading**

- <3 years: 81%
- 3-5 years: 88%
- 6-10 years: 77%
- >10 years: 72%

**No. Employees**

- 1 employee: 84%
- 2 employees: 82%
- 3-5 employees: 80%
- 6-19 employees: 68%
- 20+ employees: 52%
- Part-time: 75%
- Casual: 78%

n=648
Which of the following describes your business?

- Family business: 31%
- Privately held business: 63%
- Other: 6%

Years of Trading:

- <3: 4%
- 3-5: 7%
- 6-10: 2%
- >10: 7%

No. Employees:

- 1: 3%
- 2: 2%
- 3-5: 12%
- 6-19: 4%
- 20+: 9%
- Part time: 6%
- Full time: 61%
- Casual: 6%

n=648
How many locations does your business operate in?

- 1 only: 68%
- 2: 14%
- 3: 7%
- 4: 2%
- 5: 1%
- 6 or more: 8%

Years of Trading

- <3: 82%
- 3-5: 66%
- 6-10: 77%
- >10: 64%

No. Employees

- Full time
  - 1 only: 53%
  - 2: 13%
  - 3-5: 14%
  - 6-10: 12%
  - 20+: 18%
- Part time
  - 1 only: 82%
  - 2: 69%
  - 3-5: 77%
  - 6-19: 55%
  - Part time: 37%
- Casual
  - 1 only: 82%
  - 2: 69%
  - 3-5: 77%
  - 6-19: 55%
  - 20+: 37%

n=648
Length of Trade

How long has your business been trading?

- Less than 1 year: 4%
- 1-2 years: 6%
- 3-5 years: 9%
- 6-10 years: 16%
- Over 10 years: 65%

n=648
How long have you been in your current industry or field?

- Less than 1 year: 2%
- 1-2 years: 3%
- 3-5 years: 7%
- 6-10 years: 13%
- 11-14 years: 13%
- 15-19 years: 17%
- 20 years or more: 46%

Years of Trading

- <3: 15%
- 3-5: 20%
- 6-10: 26%
- >10: 60%

No. Employees

- 1: 40%
- 2: 46%
- 3-5 Full time: 47%
- 6-19: 50%
- 20+: 62%
- Part time: 46%
- Casual: 46%

n=648
Annual Turnover

What is your annual business turnover?

- **Less than $200K**: 32%
- **$200-500K**: 20%
- **$500-$1 million**: 11%
- **$1 million-$5 million**: 22%
- **Over $5 million**: 12%
- **Don't know**: 3%

Years of Trading

- **<3**: 1%
- **3-5**: 3%
- **6-10**: 5%
- **>10**: 17%

No. Employees

- **1**: 6%
- **2**: 21%
- **3-5**: 15%
- **6-19**: 30%
- **20+**: 69%

- **Full time**: 68%
- **Part time**: 33%
- **Casual**: 29%

'Don’t know' omitted from these results

n=648
Business Outlook

- Respondents were split as to how their revenue performed over the last year with 35% saying it improved and 29% saying it was worse and 30% saying it stayed the same compared to last year.
- On average there was an overall increase of 1.4% in revenue.
- Businesses were 20 or more employees were most likely to have had an improvement in revenue over the last year (49% had an improvement).
- Nearly half the respondents (46%) expected their revenue to improve over the next year.
- Businesses who had traded for less than three years were more likely to predict an improvement in revenue in the next year (68%).
- The majority of respondents (52%) expected the general economy to grow in the next year – 7% saying it would grow a lot and 45% saying it would grow a little.
- More than a quarter of respondents (26%) expect to employ more people in their business over the next year. Only 12% expect to employ fewer people.
- Growth in employment is most likely to come from businesses that have been trading for less than three years with 40% expecting to employ more people in the next year.
Revenue Performance

How did your revenue perform over the last year?

- Improve compared with the sales revenue in the previous year: 35%
- About the same as previous year: 30%
- Worse compared with sales revenue in the previous year: 29%
- Not sure / can't say: 6%

Years of Trading

- <3 years: 10%
- 3-5 years: 21%
- 6-10 years: 38%
- >10 years: 40%

'Not sure/can't say' omitted from these results

Employees

- 1 employee: 26%
- 2 employees: 34%
- 3-5 employees: 30%
- 6-10 employees: 29%
- 10+ employees: 24%

- Part time: 27%
- Casual: 30%

n=648
Approximately by what percentage did your revenue increase/decrease in the last year?

On average revenue increased by 1.4% in the last year.
Projected Revenue Performance

How do you expect your revenue to perform over the next year?

- Improve compared with the sales revenue in the last year: 46%
- Be about the same as last year: 32%
- Worsen compared with the sales revenue in the last year: 16%
- Not sure / can't say: 6%

n=648

'Not sure/can't say' omitted from these results
What do you believe are the prospects for the business economy over the next 12 months? Do you think that it will...

- Grow Strongly: 7%
- Grow a little: 45%
- No change: 16%
- Shrink a little: 21%
- Shrink a lot: 11%

Years of Trading:
- <3: 71% Net Grow, 15% Net Shrink
- 3-5: 69% Net Grow, 17% Net Shrink
- 6-10: 56% Net Grow, 33% Net Shrink
- >10: 46% Net Grow, 37% Net Shrink

No. Employees:
- 1: 25% Net Grow, 56% Net Shrink
- 2: 35% Net Grow, 52% Net Shrink
- 3-5 Full time: 36% Net Grow, 49% Net Shrink
- 6-19 Full time: 35% Net Grow, 48% Net Shrink
- 20+ Full time: 32% Net Grow, 54% Net Shrink
- Part time: 30% Net Grow, 54% Net Shrink
- Casual: 36% Net Grow, 52% Net Shrink
Do you expect to employ more people than you currently have, fewer people than you currently have or keep the same number of people during the next year?

- I intend to employ more people over the next year: 26%
- I will employ the same number of people as I have now, over the next year: 51%
- I intend to employ fewer people over the next year: 12%
- Not sure / can't say: 11%

Years of Trading:

- <3: 3% (I intend to employ fewer people), 46% (I will keep the same), 40% (I intend to employ more)
- 3-5: 5% (I intend to employ fewer), 39% (I will keep the same), 34% (I intend to employ more)
- 6-10: 11% (I intend to employ fewer), 48% (I will keep the same), 30% (I intend to employ more)
- >10: 14% (I intend to employ fewer), 55% (I will keep the same), 22% (I intend to employ more)

No. Employees:

- 1: 6% (I intend to employ fewer), 59% (I will keep the same), 19% (I intend to employ more)
- 2: 11% (I intend to employ fewer), 55% (I will keep the same), 25% (I intend to employ more)
- 3-5: 13% (I intend to employ fewer), 61% (I will keep the same), 28% (I intend to employ more)
- 6-19: 19% (I intend to employ fewer), 49% (I will keep the same), 32% (I intend to employ more)
- 20+: 16% (I intend to employ fewer), 39% (I will keep the same), 48% (I intend to employ more)
- Part time: 14% (I intend to employ fewer), 48% (I will keep the same), 50% (I intend to employ more)
- Casual: 16% (I intend to employ fewer), 30% (I will keep the same), 26% (I intend to employ more)

‘Not sure/can’t say’ omitted from these results.
Impacting Business

- The main issues business more difficult for respondents are:
  - The general economic conditions (71%);
  - Compliance and bureaucratic issues (62%); and
  - Cash flow (53%).

- Overall three quarters of respondents said that their utility costs increased in the last year with 39% saying they increased significantly.
- Other noticeable increases were:
  - Employee wages (51% had increased);
  - Insurance and workers compensation costs (55% had increased), and
  - Technology costs (53% had increased).
Business Impact

To what extent are the following impacting your business?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Making it difficult</th>
<th>No or little impact</th>
<th>Making it better</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Economic Conditions</td>
<td>71%</td>
<td>23%</td>
<td>6%</td>
</tr>
<tr>
<td>Compliance &amp; Bureaucratic red tape</td>
<td>62%</td>
<td>35%</td>
<td>2%</td>
</tr>
<tr>
<td>Cashflow</td>
<td>53%</td>
<td>43%</td>
<td>4%</td>
</tr>
<tr>
<td>Competition</td>
<td>44%</td>
<td>51%</td>
<td>4%</td>
</tr>
<tr>
<td>Access to capital</td>
<td>36%</td>
<td>61%</td>
<td>3%</td>
</tr>
<tr>
<td>Payroll tax</td>
<td>32%</td>
<td>66%</td>
<td>1%</td>
</tr>
<tr>
<td>Australian Dollar value</td>
<td>31%</td>
<td>63%</td>
<td>5%</td>
</tr>
<tr>
<td>Government funding or…</td>
<td>31%</td>
<td>62%</td>
<td>6%</td>
</tr>
<tr>
<td>Carbon tax</td>
<td>30%</td>
<td>67%</td>
<td>3%</td>
</tr>
<tr>
<td>Telecommunication...</td>
<td>28%</td>
<td>63%</td>
<td>9%</td>
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<tr>
<td>Skills availability</td>
<td>25%</td>
<td>68%</td>
<td>7%</td>
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<td>Local Issues-...</td>
<td>24%</td>
<td>75%</td>
<td>1%</td>
</tr>
<tr>
<td>Land tax</td>
<td>21%</td>
<td>78%</td>
<td>1%</td>
</tr>
<tr>
<td>Real estate prices</td>
<td>17%</td>
<td>79%</td>
<td>3%</td>
</tr>
<tr>
<td>Online Sales</td>
<td>13%</td>
<td>66%</td>
<td>20%</td>
</tr>
</tbody>
</table>

- The main factors impacting businesses are:
  - General Economic Conditions
  - Compliance and Bureaucratic red tape
  - Cash flow
Impact – General Economic Conditions

To what extent are the following impacting your business?

- **Making it difficult**: 71%
- **No or little impact**: 23%
- **Making it better**: 6%

Years of Trading

- <3: 59% (Making it difficult), 68% (No or little impact), 71% (Making it better)
- 3-5: 29% (Making it difficult), 25% (No or little impact), 23% (Making it better)
- 6-10: 71% (Making it difficult), 71% (No or little impact), 73% (Making it better)
- >10: 5% (Making it difficult), 21% (No or little impact), 21% (Making it better)

No. Employees

- Full time: 72% (Making it difficult), 72% (No or little impact), 74% (Making it better)
- Part time: 29% (Making it difficult), 29% (No or little impact), 23% (Making it better)
- Casual: 22% (Making it difficult), 25% (No or little impact), 21% (Making it better)

'Not established' omitted from these results

n=648
Impact – Carbon Tax

To what extent are the following impacting your business?

- Making it difficult: 30%
- No or little impact: 67%
- Making it better: 3%

Years of Trading

- <3: 16%
- 3-5: 15%
- 6-10: 28%
- >10: 35%

No. Employees

- 1: 24%
- 2: 26%
- 3-5: 36%
- 6-19: 31%
- 20+: 48%
- Full time: 35%
- Part time: 36%
- Casual: 36%

‘Not established’ omitted from these results

n=648
Impact – Land Tax

To what extent are the following impacting your business?

- Making it difficult: 21%
- No or little impact: 78%
- Making it better: 1%

Years of Trading:
- <3: 16%
- 3-5: 10%
- 6-10: 17%
- >10: 25%

No. Employees:
- 1: 19%
- 2: 13%
- 3-5: 17%
- 6-19: 17%
- 20+: 48%
- Part time: 26%
- Casual: 24%

‘Not established’ omitted from these results

n=648
Impact – Payroll Tax

To what extent are the following impacting your business?

- Making it difficult: 32%
- No or little impact: 66%
- Making it better: 1%

Years of Trading:
- <3: 24% (Making it difficult), 75% (No or little impact), 1% (Making it better)
- 3-5: 27% (Making it difficult), 73% (No or little impact), 1% (Making it better)
- 6-10: 24% (Making it difficult), 74% (No or little impact), 1% (Making it better)
- >10: 37% (Making it difficult), 62% (No or little impact), 1% (Making it better)

No. Employees:
- 1: 83% (Making it difficult), 13% (No or little impact), 15% (Making it better)
- 2: 87% (Making it difficult), 13% (No or little impact), 13% (Making it better)
- 3-5: 79% (Making it difficult), 20% (No or little impact), 20% (Making it better)
- 6-19: 43% (Making it difficult), 56% (No or little impact), 41% (Making it better)
- 20+: 16% (Making it difficult), 83% (No or little impact), 58% (Making it better)
- Part time: 1% (Making it difficult), 99% (No or little impact), 41% (Making it better)
- Casual: 1% (Making it difficult), 99% (No or little impact), 40% (Making it better)

'n=648'

'Not established' omitted from these results
Impact – Australian Dollar value

To what extent are the following impacting your business?

- Making it difficult: 31%
- No or little impact: 63%
- Making it better: 5%

Years of Trading

- <3 years: 28%
- 3-5 years: 24%
- 6-10 years: 29%
- >10 years: 33%

No. Employees

- 1: 22%
- 2: 33%
- 3-5: 34%
- 6-19: 36%
- 20+: 40%
- Part time: 32%
- Casual: 34%

‘Not established’ omitted from these results

n=648
Impact – Compliance & Bureaucratic Issues

To what extent are the following impacting your business?

- Making it difficult: 62%
- No or little impact: 35%
- Making it better: 2%

Years of Trading:
- <3: 43% making it difficult, 54% no or little impact, 58% making it better
- 3-5: 53% making it difficult, 41% no or little impact, 39% making it better
- 6-10: 43% making it difficult, 54% no or little impact, 58% making it better
- >10: 58% making it difficult, 30% no or little impact, 67% making it better

No. Employees:
- 1: 54% making it difficult, 58% no or little impact, 75% making it better
- 2: 36% making it difficult, 64% no or little impact, 68% making it better
- 3-5: 36% making it difficult, 64% no or little impact, 64% making it better
- 6-19: 25% making it difficult, 72% no or little impact, 68% making it better
- 20+: 24% making it difficult, 75% no or little impact, 64% making it better
- Part time: 3% making it difficult, 29% no or little impact, 32% making it better
- Casual: 1% making it difficult, 29% no or little impact, 32% making it better

'nNot established' omitted from these results

n=648
Impact – Government funding or support

To what extent are the following impacting your business?

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<th>Impact</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Making it difficult</td>
<td>31%</td>
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<tr>
<td>No or little impact</td>
<td>62%</td>
</tr>
<tr>
<td>Making it better</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Years of Trading</th>
<th>No or little impact</th>
<th>Making it better</th>
<th>Making it difficult</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;3</td>
<td>29%</td>
<td>41%</td>
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<td>3-5</td>
<td>34%</td>
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<td>62%</td>
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<td>6-10</td>
<td>59%</td>
<td>64%</td>
<td>47%</td>
</tr>
<tr>
<td>&gt;10</td>
<td>30%</td>
<td>30%</td>
<td>62%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>No. Employees</th>
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<th>3-5</th>
<th>Part time</th>
<th>Casual</th>
<th>Not established</th>
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</thead>
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<td>1</td>
<td>33%</td>
<td>29%</td>
<td>25%</td>
<td>31%</td>
<td>33%</td>
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<tr>
<td>2</td>
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<td>69%</td>
</tr>
<tr>
<td>20+</td>
<td>61%</td>
<td>61%</td>
<td>61%</td>
<td>61%</td>
<td>61%</td>
</tr>
</tbody>
</table>

'Not established' omitted from these results

n=648
To what extent are the following impacting your business?

- Making it difficult
- No or little impact
- Making it better

### Years of Trading

- <3: 18% difficult, 65% impact, 6% better
- 3-5: 29% difficult, 63% impact, 18% better
- 6-10: 18% difficult, 65% impact, 68% better
- >10: 17% difficult, 68% impact, 68% better

### No. Employees

- 1: 14% difficult, 64% impact, 16% better
- 2: 13% difficult, 67% impact, 16% better
- 3-5: 14% difficult, 67% impact, 16% better
- 6-19: 14% difficult, 67% impact, 16% better
- 20+: 14% difficult, 67% impact, 16% better
- Part time: 14% difficult, 67% impact, 16% better
- Casual: 14% difficult, 67% impact, 16% better

*Not established* omitted from these results

n=648
To what extent are the following impacting your business?

**Making it difficult**
- <3 years: 19%
- 3-5 years: 65%
- 6-10 years: 66%
- >10 years: 68%

**No or little impact**
- <3 years: 15%
- 3-5 years: 24%
- 6-10 years: 24%
- >10 years: 26%

**Making it better**
- <3 years: 5%
- 3-5 years: 68%
- 6-10 years: 68%
- >10 years: 68%

**No. Employees**

<table>
<thead>
<tr>
<th>Full time</th>
<th>1-3</th>
<th>4-5</th>
<th>6-10</th>
<th>11-19</th>
<th>20+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making it difficult</td>
<td>77%</td>
<td>79%</td>
<td>67%</td>
<td>58%</td>
<td>55%</td>
</tr>
<tr>
<td>No or little impact</td>
<td>4%</td>
<td>10%</td>
<td>36%</td>
<td>38%</td>
<td>31%</td>
</tr>
<tr>
<td>Making it better</td>
<td>15%</td>
<td>16%</td>
<td>23%</td>
<td>36%</td>
<td>30%</td>
</tr>
</tbody>
</table>
To what extent are the following impacting your business?

- Making it difficult: 44%
- No or little impact: 51%
- Making it better: 4%

Years of Trading:

- <3: 38%
- 3-5: 37%
- 6-10: 40%
- >10: 46%

No. Employees:

- 1: 36%
- 2: 41%
- 3-5: 39%
- 6-19: 50%
- 20+: 59%
- Part time: 46%
- Casual: 46%

'Not established' omitted from these results

n=648
Impact – Cash flow

To what extent are the following impacting your business?

- Making it difficult: 53%
- No or little impact: 43%
- Making it better: 4%

Years of Trading:

- <3: 54%
- 3-5: 51%
- 6-10: 55%
- >10: 52%

No. Employees:

- 1: 53%
- 2: 58%
- 3-5: 49%
- 6-19: 54%
- 20+: 55%
- Part time: 55%
- Casual: 55%

‘Not established’ omitted from these results

n=648
To what extent are the following impacting your business?

- Making it difficult: 36%
- No or little impact: 61%
- Making it better: 3%

Years of Trading:
- <3: 60%, 34%
- 3-5: 47%, 46%
- 6-10: 63%, 36%
- >10: 62%, 35%

No. Employees:
- 1: 61%, 35%
- 2: 63%, 37%
- 3-5: 68%, 28%
- 6-19: 59%, 37%
- 20+: 59%, 39%
- Part time: 59%, 38%
- Casual: 57%, 40%

‘Not established’ omitted from these results

n=648
Impact – Real Estate Prices

To what extent are the following impacting your business?

- Making it difficult: 17%
- No or little impact: 79%
- Making it better: 3%

**Years of Trading**

- <3: 21% Making it difficult, 24% No or little impact, 17% Making it better
- 3-5: 78% No or little impact, 21% Making it difficult, 16% Making it better
- 6-10: 71% No or little impact, 17% Making it better, 5% Making it difficult
- >10: 80% Making it better, 17% No or little impact, 3% Making it difficult

**No. Employees**

- 1: 75% No or little impact, 4% Making it better, 2% Making it difficult
- 2: 82% No or little impact, 4% Making it better, 2% Making it difficult
- 3-5 Full time: 80% No or little impact, 6% Making it better, 13% Making it difficult
- 6-19: 79% No or little impact, 13% Making it better, 4% Making it difficult
- 20+: 83% No or little impact, 13% Making it better, 4% Making it difficult
- Part time: 76% No or little impact, 17% Making it better, 3% Making it difficult
- Casual: 77% No or little impact, 15% Making it better, 3% Making it difficult

*Not established* omitted from these results

n=648
Impact – Local Issues

To what extent are the following impacting your business?

- Making it difficult: 24%
- No or little impact: 75%
- Making it better: 1%

Years of Trading:

- <3: 26% Making it difficult, 24% No or little impact, 23% Making it better
- 3-5: 24% Making it difficult, 23% No or little impact, 24% Making it better
- 6-10: 23% Making it difficult, 24% No or little impact, 24% Making it better
- >10: 24% Making it difficult, 24% No or little impact, 24% Making it better

No. Employees:

- 1: 21% Making it difficult, 29% No or little impact, 22% Making it better
- 2: 29% Making it difficult, 28% No or little impact, 21% Making it better
- 3-5: 27% Making it difficult, 22% No or little impact, 22% Making it better
- 6-19: 20% Making it difficult, 21% No or little impact, 21% Making it better
- 20+: 22% Making it difficult, 21% No or little impact, 21% Making it better
- Part time: 25% Making it difficult, 22% No or little impact, 25% Making it better
- Casual: 28% Making it difficult, 22% No or little impact, 28% Making it better

n=648

‘Not established’ omitted from these results
Impact – Telecommunication infrastructure

To what extent are the following impacting your business?

- Making it difficult: 28%
- No or little impact: 63%
- Making it better: 9%

Years of Trading

- <3: 25%
- 3-5: 29%
- 6-10: 32%
- >10: 28%

No. Employees

- Part time: 30%
- Casual: 34%
- Full time: 29%
- 20+: 30%
- 6-19: 24%
- 3-5: 24%
- 1: 17%
- 2: 9%
- Not established: 8%

'Meritorious' omitted from these results

n=648
Do you have any other comments you would like to add regarding the above impact factors?

- Government charges / restrictions / red tape / excessive compliance / taxation: 10%
- Government support and funding is needed: 5%
- Telecommunications’ issues / Need for the implementation of the NBN: 5%
- Current economic climate is difficult to operate viably in: 4%
- Federal Government Budgetary constraints causing a lack of business and consumer confidence: 3%
- Unrealistic wages and high labour costs: 2%
- Demise of the Manufacturing sector: 2%
- Poor Government economic management: 2%
- Carbon Tax: 2%
- Lack of business ethics and morals: 1%
- Australian dollar / Exchange rate: 1%
- None: 3%
- Don’t Know: 0%
- Other: 5%
- Not Stated: 70%

n=648
How did your costs change over the last year?

- More than three quarters of respondents said that their utility costs increased in the last year (39% significantly).
- More than half said that the following costs had increased:
  - Employee wages
  - Insurance and workers compensation
  - Technology

‘Not sure/can’t say’ omitted from these results
**Costs – Utility Costs**

**How did your costs change over the last year?**

- **Increased significantly**: 37%
- **Increased marginally**: 39%
- **About the same as previous year**: 17%
- **Decreased**: 3%

### Years of Trading

<table>
<thead>
<tr>
<th>Years of Trading</th>
<th>Increased significantly</th>
<th>Increased marginally</th>
<th>About the same as previous year</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;3</td>
<td>35%</td>
<td>29%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>3-5</td>
<td>29%</td>
<td>36%</td>
<td>2%</td>
<td>41%</td>
</tr>
<tr>
<td>6-10</td>
<td>21%</td>
<td>29%</td>
<td>38%</td>
<td>41%</td>
</tr>
<tr>
<td>&gt;10</td>
<td>37%</td>
<td>41%</td>
<td>41%</td>
<td>41%</td>
</tr>
</tbody>
</table>

### No. Employees

- **Part time**
  - <3: 24% 35% 32%
  - 3-5: 18% 41% 41%
  - >10: 14% 40% 38%

- **Full time**
  - 1: 5% 16% 13%
  - 2: 24% 48% 44%
  - 3-19: 4% 7% 3%
  - 20+: 4% 12% 2%

- **Part time**
  - <3: 5% 35% 41%
  - 3-5: 16% 48% 41%
  - >10: 12% 42% 40%

- **Casual**
  - <3: 4% 18% 41%
  - 3-5: 7% 41% 41%
  - >10: 14% 40% 38%

*‘Not sure/can’t say’ omitted from these results*
Costs – Employee Wages

How did your costs change over the last year?

- Increased significantly: 13%
- Increased marginally: 38%
- About the same as previous year: 32%
- Decreased: 6%

Years of Trading

- <3: 41% (Increased significantly), 18% (Increased marginally), 13% (About the same as previous year), 12% (Decreased)
- 3-5: 34% (Increased significantly), 24% (Increased marginally), 20% (About the same as previous year), 17% (Decreased)
- 6-10: 32% (Increased significantly), 35% (Increased marginally), 17% (About the same as previous year), 12% (Decreased)
- >10: 30% (Increased significantly), 45% (Increased marginally), 12% (About the same as previous year), 12% (Decreased)

No. Employees

- 1: 7% (Increased significantly), 46% (Increased marginally), 19% (About the same as previous year), 8% (Decreased)
- 2: 4% (Increased significantly), 36% (Increased marginally), 13% (About the same as previous year), 13% (Decreased)
- 3-5: 4% (Increased significantly), 49% (Increased marginally), 18% (About the same as previous year), 21% (Decreased)
- 6-19: 6% (Increased significantly), 60% (Increased marginally), 21% (About the same as previous year), 17% (Decreased)
- 20+: 6% (Increased significantly), 61% (Increased marginally), 13% (About the same as previous year), 18% (Decreased)
- Full time: 6% (Increased significantly), 45% (Increased marginally), 45% (About the same as previous year), 45% (Decreased)
- Part time: 24% (Increased significantly), 45% (Increased marginally), 45% (About the same as previous year), 45% (Decreased)
- Casual: 45% (Increased significantly), 45% (Increased marginally), 45% (About the same as previous year), 45% (Decreased)

‘Not sure/can’t say’ omitted from these results

n=648
Costs – Insurance and Workers Compensation costs

How did your costs change over the last year?

- Increased significantly: 15%
- Increased marginally: 40%
- About the same as previous year: 34%
- Decreased: 3%

Years of Trading

- <3: 40% Increased significantly, 25% Increased marginally, 16% About the same as previous year, 15% Decreased
- 3-5: 42% Increased significantly, 39% Increased marginally, 8% About the same as previous year, 4% Decreased
- 6-10: 35% Increased significantly, 35% Increased marginally, 18% About the same as previous year, 16% Decreased
- >10: 31% Increased significantly, 45% Increased marginally, 16% About the same as previous year, 16% Decreased

No. Employees

- 1: 6% Increased significantly, 3% Increased marginally, 35% About the same as previous year, 47% Decreased
- 2: 3% Increased significantly, 3% Increased marginally, 29% About the same as previous year, 46% Decreased
- 3-5: 3% Increased significantly, 2% Increased marginally, 23% About the same as previous year, 54% Decreased
- 6-19: 2% Increased significantly, 24% Increased marginally, 18% About the same as previous year, 53% Decreased
- 20+: 3% Increased significantly, 3% Increased marginally, 31% About the same as previous year, 42% Decreased
- Part time: 3% Increased significantly, 4% Increased marginally, 15% About the same as previous year, 19% Decreased
- Casual: 4% Increased significantly, 3% Increased marginally, 18% About the same as previous year, 18% Decreased

‘Not sure/can’t say’ omitted from these results

n=648
How did your costs change over the last year?

- Increased significantly: 14%
- Increased marginally: 34%
- About the same as previous year: 42%
- Decreased: 5%

Years of Trading:

- <3 years: 1% Increased significantly, 41% Increased marginally, 35% About the same, 10% Decreased
- 3-5 years: 7% Increased significantly, 41% Increased marginally, 39% About the same, 12% Decreased
- 6-10 years: 4% Increased significantly, 34% Increased marginally, 40% About the same, 20% Decreased
- >10 years: 6% Increased significantly, 45% Increased marginally, 32% About the same, 13% Decreased

No. Employees:

- 1-2: 10% Increased significantly, 4% Increased marginally, 6% About the same, 2% Decreased
- 3-5: 38% Increased significantly, 48% Increased marginally, 51% About the same, 2% Decreased
- 6-19: 33% Increased significantly, 34% Increased marginally, 26% About the same, 41% Decreased
- 20+: 15% Increased significantly, 12% Increased marginally, 16% About the same, 16% Decreased

Part time:

- <3 years: 33% Increased significantly, 34% Increased marginally, 26% About the same, 45% Decreased
- 3-5 years: 38% Increased significantly, 34% Increased marginally, 26% About the same, 41% Decreased
- 6-19: 33% Increased significantly, 34% Increased marginally, 26% About the same, 45% Decreased
- 20+: 33% Increased significantly, 34% Increased marginally, 26% About the same, 41% Decreased

Casual:

- <3 years: 15% Increased significantly, 12% Increased marginally, 16% About the same, 10% Decreased
- 3-5 years: 38% Increased significantly, 48% Increased marginally, 51% About the same, 2% Decreased
- 6-19: 33% Increased significantly, 34% Increased marginally, 26% About the same, 41% Decreased
- 20+: 15% Increased significantly, 12% Increased marginally, 16% About the same, 16% Decreased

n=648
How did your costs change over the last year?

- Increased significantly: 18%
- Increased marginally: 35%
- About the same as previous year: 37%
- Decreased: 6%

Years of Trading:

- <3:
  - Increased significantly: 6%
  - Increased marginally: 43%
  - About the same as previous year: 26%
  - Decreased: 13%
- 3-5:
  - Increased significantly: 14%
  - Increased marginally: 32%
  - About the same as previous year: 31%
  - Decreased: 20%
- 6-10:
  - Increased significantly: 4%
  - Increased marginally: 41%
  - About the same as previous year: 16%
  - Decreased: 19%
- >10:
  - Increased significantly: 6%
  - Increased marginally: 37%
  - About the same as previous year: 35%
  - Decreased: 19%

No. Employees:

- 1:
  - Increased significantly: 9%
  - Increased marginally: 39%
  - About the same as previous year: 33%
  - Decreased: 15%
- 2:
  - Increased significantly: 5%
  - Increased marginally: 38%
  - About the same as previous year: 41%
  - Decreased: 13%
- 3-5:
  - Increased significantly: 7%
  - Increased marginally: 34%
  - About the same as previous year: 34%
  - Decreased: 18%
- 6-19:
  - Increased significantly: 7%
  - Increased marginally: 32%
  - About the same as previous year: 34%
  - Decreased: 25%
- 20+:
  - Increased significantly: 2%
  - Increased marginally: 7%
  - About the same as previous year: 15%
  - Decreased: 15%
- Part time:
  - Increased significantly: 7%
  - Increased marginally: 35%
  - About the same as previous year: 35%
  - Decreased: 37%
- Casual:
  - Increased significantly: 6%
  - Increased marginally: 35%
  - About the same as previous year: 35%
  - Decreased: 37%

'Not sure/can't say' omitted from these results

n=648
Costs – Rent

How did your costs change over the last year?

- Increased significantly: 8%
- Increased marginally: 30%
- About the same as previous year: 46%
- Decreased: 3%

Years of Trading

- <3 years: 51%
- 3-5 years: 44%
- 6-10 years: 50%
- >10 years: 45%

No. Employees

- Full time: 53%
- Part time: 30%
- Casual: 18%
- 'Not sure/can't say' omitted from these results

n=648
How did your costs change over the last year?

- Increased significantly: 10%
- Increased marginally: 26%
- About the same as previous year: 49%
- Decreased: 7%

**Years of Trading**

- <3: Increased significantly 3%, Increased marginally 56%, About the same as previous year 18%, Decreased 4%
- 3-5: Increased significantly 3%, Increased marginally 51%, About the same as previous year 25%, Decreased 23%
- 6-10: Increased significantly 7%, Increased marginally 49%, About the same as previous year 14%, Decreased 14%
- >10: Increased significantly 9%, Increased marginally 48%, About the same as previous year 9%, Decreased 28%

**No. Employees**

- 1: Increased significantly 7%, Increased marginally 54%, About the same as previous year 45%, Decreased 6%
- 2: Increased significantly 6%, Increased marginally 45%, About the same as previous year 53%, Decreased 22%
- 3-5 Full time: Increased significantly 11%, Increased marginally 45%, About the same as previous year 45%, Decreased 28%
- 6-19 Full time: Increased significantly 10%, Increased marginally 47%, About the same as previous year 31%, Decreased 27%
- 20+ Full time: Increased significantly 7%, Increased marginally 48%, About the same as previous year 31%, Decreased 26%
- Part time: Increased significantly 9%, Increased marginally 48%, About the same as previous year 26%, Decreased 29%
- Casual: Increased significantly 7%, Increased marginally 48%, About the same as previous year 29%, Decreased 29%

*‘Not sure/can’t say’ omitted from these results*
Emerging Trends

- The main emerging trends expected are:
  - Globalisation (18%)
  - Offshore manufacturing (17%)
  - Competitiveness through technology (14%)
  - Growth in online and e-commerce (13%).

- The main investments small business respondents intend to invest in are:
  - Technology hardware (57%); and
  - Software (51%).

- Respondents who have been in business for longer (6 or more years) are more likely to intend to invest in technology hardware and software than those who have been in business for less than 5 years.

- More than half the respondents (51%) had recently invested in mobile devices including tablets for their business.
Emerging Trends – In their own Words

Shift in operations to low cost regions offshore Scarcity of some resources e.g. energy, labour in particular sectors

Major impact will be declining manufacturing base and lack of support of the manufacturing sector.

The increasing overseas imports of products and labour will make it hard for normal Australian businesses to survive.

Increase in people working from home as VR technology develops and workers can collaborate on ideas in companies which combine people from around the globe in a way that increases productivity without the loss of corporate identities or the ill effects of isolation.

Globalisation is like cancer, it erodes opportunities gradually and not always noticeable.
What emerging trends do you think will impact the Australian marketplace over the coming 5 years?

- Globalisation: 18%
- Off-shore manufacturing / Diminishing Australian Manufacturing Competitiveness: 17%
- Competitiveness of business through technology innovations: 14%
- Growth in online/internet markets and sales / e-commerce: 13%
- General Economy: 12%
- Federal Government Budgetary constraints / Economic management: 13%
- Wages and Labour costs: 10%
- Increase in the Unemployment level: 10%
- Small business and Large corporation competitiveness: 9%
- Eliminating the Carbon Tax / Mining Tax / Taxation System reform: 7%
- Poor quality of Politicians at all levels of government / Lack of vision /...: 7%
- Significance of Asian trading partners: 6%
- Baby Boomers retiring from the workforce / Aging population: 6%
- Labour skills shortage: 6%
- Australia is uncompetitive due to all the red tape and unnecessary...: 5%
- Exchange rate / Australian dollar: 4%
- Importance of the Mining sector: 4%
- Infrastructure funding: 4%
- Environmental considerations: 4%
- Continual increases in Energy costs: 4%
- Implementation of the National Broadband Network (NBN): 3%
- Importance of the Agricultural/Rural sector: 3%
- Decrease in Research and Development private investment: 2%
- Increased costs of Health services: 2%
- Free Trade: 2%
- Interest rates: 2%
- Debt levels: 1%
- None: 2%
- Don't Know: 2%
- Other: 2%
- Not Stated: 12%

n=648
What products and services do you intend to invest in over the coming 12 months? Select any/all that apply

- Technology hardware: 57%
- Software: 51%
- Technology support: 28%
- Accounting packages: 20%
- Printing services: 19%
- Business consultancy: 17%
- Marketing services: 33%
- Other: 7%
- None of these: 16%

'n=648'
Future Investment in Products/Services

What products and services do you intend to invest in over the coming 12 months? Select any/all that apply

- Technology hardware
- Software
- Technology support
- Accounting packages
- Printing services
- Business consultancy
- Marketing services

No. Employees

1 2 3-5 6-19 20+ Part time Casual

Technology

Software

Technology support

Accounting packages

Printing services

Business consultancy

Marketing services

n=648

‘None of these’ omitted from these results
Future Investment in Products/Services

What products and services do you intend to invest in over the coming 12 months? Select any/all that apply

<table>
<thead>
<tr>
<th>Products/Services</th>
<th>&lt;3</th>
<th>3-5</th>
<th>6-10</th>
<th>&gt;10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology hardware</td>
<td>44%</td>
<td>59%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>46%</td>
<td>54%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Technology support</td>
<td>54%</td>
<td>30%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Accounting packages</td>
<td>24%</td>
<td>26%</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>Printing services</td>
<td>24%</td>
<td>26%</td>
<td>19%</td>
<td>17%</td>
</tr>
<tr>
<td>Business consultancy</td>
<td>15%</td>
<td>17%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Marketing services</td>
<td>24%</td>
<td>17%</td>
<td>23%</td>
<td>28%</td>
</tr>
</tbody>
</table>

'None of these' omitted from these results

n=648
Recent Technology Investments

What technology have you invested in recently?

- Cloud servers: 20%
- Phone systems: 23%
- Mobile devices inc tablets: 51%
- Desktop PC's: 36%
- Notebooks: 29%
- IT infrastructure - network, servers etc: 28%
- Other - Please record: 6%
- Have not invested in technology recently: 20%

n=648
Recent Technology Investments

What technology have you invested in recently?

- Cloud servers
- Phone systems
- Mobile devices inc tablets
- Desktop PC's
- Notebooks
- IT infrastructure - network, servers etc
- Other - Please record
- Have not invested in technology recently

Years of Trading

Full time

n=648
Recent Technology Investments

What technology have you invested in recently?

- Cloud servers
- Phone systems
- Mobile devices inc tablets
- Desktop PC's
- Notebooks
- IT infrastructure - network, servers etc
- Other - Please record
- Have not invested in technology recently

No. Employees

Part time
Casual

n=648
McNair Ingenuity Research is firmly committed to conducting research designed to benefit Aboriginal and Torres Strait Islander peoples through improving policy and thus life outcomes across a variety of critical areas including health, employment and education.