Key Findings – Sensis Business Index November 2019
Small and Medium Business Decision Makers

National confidence overview
- 55% confident vs 20% worried (5% extremely worried, 15% worried)
- Tasmania (61%) most confident, NSW rose 9% to (60%) to be second most confident State
- WA (26%), VIC (23%) and SA (21%) most worried
- Interestingly Finance and Insurance sector most confident (70%)

Growth prospects
- Metro businesses most confident about the coming 12 months
- 34% of businesses believe they will be more profitable in 2020
- 7% of businesses are hopeful of buying another business in the next 12 months
- Concerns about rising cost of doing business, which means they may need to increase prices

Workforce
- 4% net increase in employment rates of full time staff (from 12% to 16%)
- WA, leading the nation in full time employment growth
- Slight increases in overall Part Time and Casual employment growth
- 19% of businesses report they are growing, hence driving workforce changes

The economy
- 39% of businesses feel the economy is slowing
- 48% feel it’s at a standstill
- 13% expect an improvement in the next 12 months (down 9% from last quarter)
- Victorian SMBs most pessimistic with only 12% of SMBs believing the economy will grow in the next 12 months

Access to finance
- 35% of business owners think it’s harder to access finance than 3 months ago
- 26% who applied, unsuccessful
- Bank loans favourite in VIC and TAS, credit cards in SA

Federal Government
- 26% of small businesses believe the fed gov policies work against small businesses, up 3% since July
- 29% believe it’s supportive of them – remaining steady, QLD the most optimistic state with 36% believing the federal govt is supportive
- Most (32%) think it has no real impact on their business
- The majority would vote Liberal if there was an election tomorrow (37% Liberal vs 23% Labour)

Gender differences
- Women in small businesses are 4% more confident than men at the moment
- Only 8% of SMB respondents are 30 years of age or under
- 69% of the SMB businesses surveyed are owned by men
- 56% of SMB businesses surveyed have been in business for more than 10 years

Key Stats by State

VIC
- VIC is the most likely (18%) to say that finance is easier to access than six months ago, compared to other states.
- There has been a QoQ increase in the number of VIC SMBs feeling worried about their business prospects over the next 12 months – 23% of VIC SMBs say they are worried or very worried (up 9% QoQ).
- VIC is the second least confident state when it comes to the national economy, with more than 2 in 5 (43%) saying the economy is in a period of slowdown.
- VIC is also the second most pessimistic about Australia’s future, with 42% believing the national economy will be worse this time next year.
VIC SMBs are more likely (44%) than the national average (32%) to use a bank loan to access finance. Almost one third (32%) of VIC SMBs report that they have been exporting less over the last 3 months.

NSW

Compared to other states, NSW is the most confident in the national economy, matching with TAS in the number of SMBs (16%) that say the economy is in a period of growth. NSW SMBs are also least likely (33%) to say the national economy is in slowdown. NSW SMBs are the second most likely to be supportive of State Government, with more than 1 in 4 (27%) saying State Government policies are supportive of them. NSW SMBs were more likely to use a credit card (32%) to finance their businesses than any other method, significantly over the national average of 21%. NSW leads the way when it comes to exports, with 20% of SMBs reporting they export. Almost half (45%) of NSW SMBs are fairly confident about their business outlook in the next 12 months, with the majority expecting to grow moderately.

TAS

Compared to other states, TAS is among the most confident in the national economy, matching with NSW in the number for SMBs (16%) that say the economy is in a period of growth. TAS SMBs are also the most likely to be confident about their state economy, with almost 1 in 4 SMBs (24%) saying the state economy is in a period of growth. TAS SMBs are the most optimistic about Australia’s future, with 22% believing the national economy will be better this time next year. TAS is the state most likely to be supportive of State Government, with more than 1 in 4 SMBs (27%) saying State Government policies are supportive of them. However, it is least likely to be supportive of Federal Government, matching with SA in the number of SMBs (30%) that say Federal Government policies are working against them. 45% are fairly confident about their business prospects in the next 12 months. Bank loan (39%) is the preferred method for the Tasmanian SMBs owners to access finance – but the majority (80%) have not tried to access finance for their business in the past 6 months. One third of TAS SMBs say that insurance is hindering their business.

QLD

QLD is the state most likely to be supportive of Federal Government, with more than 1 in 3 SMBs (36%) saying Federal Government policies are supportive of them – up 5% from last quarter. However, QLD is the state least likely to be supportive of State Government, with 28% saying State Government policies are working against them. Overall, the majority (50%) of QLD SMBs feel that the nation’s economy is currently at standstill and 44% say it will be the same a year from now. 40% of Queensland SMBs are fairly confident about their business prospects and they (43%) expect to grow moderately. Bank loan (38%) is the preferred method of financing by small businesses in Queensland. Queensland SMBs are noting ‘red tape’ (43%) is hindering their growth.

SA

SA is least likely to be supportive of Federal Government, matching with TAS in the number of SMBs (30%) that say Federal Government policies are working against them. Compared to other states, SA is the least confident in the national economy, with almost half (46%) saying the economy is in a period of slowdown. It is also least confident in the state economy, with more than 2 in 5 SMBs (45%) saying it is in a period of slowdown.
**SA is the most pessimistic about Australia’s future,** with 45% believing the national economy will be worse this time next year.

**SA is the most likely to say that finance is more difficult to access than six months ago,** matching with WA in the number of SMBs (42%) that think it has become harder.

South Australia had the smallest number of SMBs reporting that they export (8%).

12% of South Australian SMB owners are looking to sell their businesses in the next 12 months.

**WA**

**WA SMBs have low confidence in the current state economy** — compared to other states they are the least likely (14%) to feel their state economy is growing, and are the second most likely (39%) to believe it is in slowdown.

**WA is the most likely to say that finance is more difficult to access than six months ago,** matching with SA in the number of SMBs (42%) that think it has become harder.

**More than one in four (26%) WA SMBs said Federal Government policies are working against them.**

**WA SMBs are also least likely to say State Government policies are supportive of them.**