MEDIA RELEASE

Australian small and medium businesses confident despite economic worries

- The latest Sensis Business Index reveals half of SME businesses have confidence in their prospects with Tasmania (63%) leading the pack
- Despite increasing confidence, 83% still concerned about the current state of the economy
- One in three don’t believe current Federal Government policies for small business have any impact
- Only 36% of businesses applied for the recently introduced $30,000 instant assets write-off
- Access to finance remains a significant challenge for Australia’s small and medium businesses

Monday, 19 August 2019 - The August 2019 Sensis Business Index has revealed that Australia’s small business confidence is strong, with 57% of businesses now confident in their prospects over the next 12 months.

Tasmania, with 63% of businesses expressing confidence in their prospects, remains the most confident state followed by Queensland at 60% and Victoria at 58%.

Commenting on findings of the latest index, Sensis CEO John Allan said: "It’s great to see more than half of small and medium businesses across the nation feeling upbeat about their business outlook post-election, despite their concerns about the current state of the economy."

One in three business owners and managers believe the economy is slowing and one in two believe it is at a standstill. Overall, 22% of businesses expect an improvement in the economy over the next 12 months and 30% believe the situation will get worse.

South Australian businesses are the most concerned, with 24% expressing fears about the economic slowdown, while 21% of businesses in both New South Wales and Western Australia are worried about their prospects.

Metro versus regional comparison on business confidence
Metropolitan businesses (58%) are feeling more confident than their regional counterparts (52%), with half of metro SMB owners and managers (52%) expecting significant or moderate expansion in the coming 12 months, 7% higher than the regional average. Regional businesses are 13% less likely to increase headcount of their current operations than metro businesses.

**Aussie SMBs found government policies not impactful**

One in three Australian small businesses (36%) said that the current Federal Government policies for small business are having no impact.

“Over the years we have seen a growing perception among SMBs that Federal Government policies do not affect them and our latest index further cements this,” said Mr Allan.

Less than one in three Australian small businesses applied for the $30,000 instant asset write-off introduced by the Federal Government this year, citing lack of funds and spending as a deterrent. Two industries that took advantage of the scheme were the manufacturing and building industries.

At the state level, only one in five Australian small businesses believe that state policies are supportive of small business with ACT leading the pack, followed by Tasmania and NSW.

Across the country, 37% of businesses believe excessive ‘red tape’ is holding back their growth. This was highest in Victoria with 41% of businesses quoting red tape as an issue. In NSW, 35% of businesses view insurance as the second highest hindrance after red tape (36%), while 37% of South Australian and Tasmanian businesses believe insurance is putting the brakes on their growth. Interestingly when pressed further as to what red tape specifically, few business owners and managers could name specific examples.
Access to finance remains a pressure point for Australia’s SMBs

Access to finance is still a significant issue for Australia’s small and medium businesses. The index found that 30% of business owners and managers believe it is harder to access finance than it was six months ago, while 57% believe there has been no change.

Access is most difficult in regional areas with 37% reporting it is harder than it was six months ago to access finance and 52% reporting there has been no change.

A quarter of businesses are using credit cards to access finance, and more than one in five are increasing their overdraft facilities.

Notes for editors:

For the first time in the Index’s history, Sensis Business Index has moved to a fully digital survey methodology, reflecting the shift of SMBs to the web. The key benefit is a faster time to market. The report surveyed 1,019 small and medium business owners or managers across metropolitan and non-metropolitan regions throughout Australia between 23 and 31 July 2019. As a result of the changed methodology and sample it is not recommended to make comparisons with previous SBI quarterly surveys.

The interactive report can be viewed here

About Sensis:

Sensis helps Australians connect and engage through our leading platforms. We help create and manage valuable connections via our digital consumer businesses (Yellow, White Pages, True Local, Whereis and Skip), search engine marketing and optimisation services, website products, social, data and mapping solutions, and through our digital agency Found. Sensis is also Australia’s largest print directory publisher including the Yellow Pages and White Pages. Find out more at www.sensis.com.au

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