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LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

COMMITTEE OF PRIVILEGES

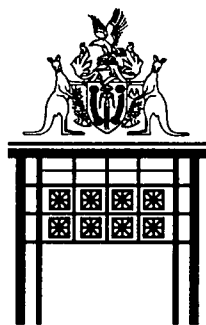
**REPORT ON MATTER REFERRED TO THE COMMITTEE BY THE
ASSEMBLY ON 30 NOVEMBER 2000 —
GRAPH — BUSINESS CONFIDENCE IN THE NORTHERN TERRITORY —
REFERRED TO
BY MS C.M. MARTIN, MLA, LEADER OF THE OPPOSITION,
ON 29 NOVEMBER 2000**

EIGHTH ASSEMBLY

REPORT NUMBER 1

FEBRUARY 2001

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LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

COMMITTEE OF PRIVILEGES

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TABLE OF CONTENTS

	<i>Page No.</i>
PREFACE	1-3
THE POWERS AND PRIVILEGES OF THE LEGISLATIVE ASSEMBLY	1
RAISING A MATTER OF PRIVILEGE	2
OPERATIONS OF THE COMMITTEE	2
COMMITTEE OF PRIVILEGES	3
MEMBERS OF THE COMMITTEE	3
ELECTION OF CHAIRMAN	4
REFERENCE TO COMMITTEE	4
BACKGROUND	4-6
Extract Minutes of Proceedings dated 30 November 2000:	5
Statement—Matter of Privilege—Document Referred to by Opposition Leader	5
Matter of Privilege—Document Referred to by Opposition Leader—	5
Motion to refer Matter to Committee of Privileges—Motion Agreed to	
CONDUCT OF INQUIRY	6-9
Submission by the Hon. D.G. Burke, MLA, Chief Minister	6
Conclusion	8
Submission by Mr S.J. Stirling, MLA, Deputy Leader of the Opposition	8
Conclusion	9
FINDING OF COMMITTEE	9

APPENDICES

APPENDIX "A"

Sessional Orders

Privilege Matters—Guidelines for Precedence of Other Business

Privileges Committee—Witness Protection Procedures

APPENDIX "B"

Extract of Hansard Question by Ms Martin to Minister for Industries and Business,
Wednesday 29 November 2000

APPENDIX "C"

Extract of Hansard Debates, Thursday 30 November 2000

APPENDIX "D"

Papers tabled by Dr Toyne on 30 November 2000

Paper No. 2256, Telstra Small Business Survey—Attitude to Territory
Government

Paper No. 2256, Telstra Small Business Index—Attitude to
Territory Government

Paper No. 2257, Telstra Small Business Survey—Business Confidence

Paper No. 2258, *Small Business Index*, February 1999

Paper No. 2259, Telstra Small Business Survey

Paper No. 2260, *Yellow Pages Business Index—Small & Medium Enterprises*,
November 2000

APPENDIX "E"

Letters from Chief Minister, the Hon. D.G. Burke, MLA, to Speaker

Dated 30 November 2000

APPENDIX "F"

Letter to Chief Minister, the Hon. D.G. Burke, MLA

Dated 11 December 2000

APPENDIX "G"

Letter to Leader of the Opposition, Ms C.M. Martin, MLA

Dated 28 December 2000

APPENDIX "H"

Submission by the Hon. D.G. Burke, MLA, Chief Minister

APPENDIX "I"

Submission by Mr S.J. Sitrling, MLA, Deputy Leader of the Opposition

PREFACE

THE POWERS AND PRIVILEGES OF THE LEGISLATIVE ASSEMBLY

The Legislative Assembly of the Northern Territory derives its powers in respect of parliamentary privilege from section 12 of the *Northern Territory (Self-Government) Act 1978* which provides that:

"12. The power of the Legislative Assembly conferred by section 6 in relation to the making of laws—

- (a) declaring the powers (other than legislative powers), privileges and immunities of the Legislative Assembly and of its members and committees, but so that the powers, privileges and immunities so declared do not exceed the powers, privileges and immunities for the time being of the House of Representatives, or of the members or committees of that House, respectively; and
- (b) providing for the manner in which powers, privileges and immunities so declared may be exercised or upheld.

Under the power conferred by section 12 of the *Northern Territory (Self-Government) Act 1978*, the powers, privileges and immunities of the Legislative Assembly, its Committees and Members have been established by the *Legislative Assembly (Powers and Privileges) Act 1992* which provides, except to the extent that the Act expressly provides otherwise, that they shall be the powers (other than legislative powers), privileges and immunities for the time being of the House of Representatives of the Commonwealth.

The powers and privileges of the House of Representative, its Committees and Members were fixed under section 49 of the Australian Constitution as follows:

"49. The powers, privileges and immunities of the Senate and the House of Representatives and of the Members and the Committees of each House, shall be such as are declared by the Parliament and, until declared, shall be those of the Commons House of Parliament of the United Kingdom and of its Members and Committees, at the establishment of the Commonwealth."

In 1987 the Commonwealth Parliament, for the first time, declared the privileges of the Senate and the House of Representatives in the *Parliamentary Privileges Act 1987* of the Commonwealth.

Thus, the powers, privileges and immunities of the Northern Territory Legislative Assembly, its Committees and Members could be said to be the sum of the powers and immunities accrued over centuries to the Westminster Parliament by statute law, common law and practice which were found to be necessary for the legislature to fulfil its proper functions, except where these powers have been modified in certain areas in their application to the Northern Territory Parliament by the *Legislative Assembly (Powers and Privileges) Act 1992* and the *Parliamentary Privileges Act 1987* of the Commonwealth.

RAISING A MATTER OF PRIVILEGE

The procedure for raising a matter of privilege in the Legislative Assembly is provided in Standing Orders 83 which follows:

"83. Privilege Motions

A matter of privilege, unless suddenly arising in relation to proceedings before the Assembly, shall not be brought before the Assembly except in accordance with the following procedures:

- (1) A Member intending to raise a matter of privilege shall notify the Speaker, in writing, of the matter.
- (2) The Speaker shall consider the matter and determine, as soon as practicable, whether a motion relating to the matter should have precedence of other business, having regard to the criteria set out in any relevant resolution of the Assembly.
- (3) The Speaker's decision shall be communicated to the Members and, if the Speaker thinks it appropriate or determines that a motion relating to the matter should have precedence, to the Assembly.
- (4) A Member shall not take any action in relation to, or refer to, in the Assembly, a matter which is under consideration by the Speaker in accordance with this Standing Order.
- (5) Where the Speaker determines that a motion relating to a matter should be given precedence of other business, the Member may, at any time where there is no other business before the Assembly, give notice of a motion to refer the matter to the Committee of Privileges and that motion shall take precedence of all other business on the day for which the notice is given.
- (6) A determination by the Speaker that a motion relating to a matter should not have precedence of other business does not prevent a Member, in accordance with other procedures, taking action in relation to, or referring to, that matter in the Assembly, subject to the rules of the Assembly.
- (7) Where a notice of a motion is given under paragraph (5) and the Assembly is not expected to meet within the period of one week occurring immediately after the day on which the notice is given, the motion may be moved on that day.

OPERATIONS OF THE COMMITTEE

The operations of the Committee of Privileges are regulated in large part by two Orders of continuing effect as resolved by the Assembly in adopting a Report of the Standing Orders Committee on 23 May 1996.

These Orders related to the guidelines for giving privilege matters precedence of other business of the Assembly and procedures for dealing with witnesses by the Committee and for the protection of witnesses.

The text of these Orders is at Appendix "A"

COMMITTEE OF PRIVILEGES

In order to assist the Assembly in its examination of issues of privilege, the Assembly appoints a Committee of Privileges, pursuant to Standing Order 18, consisting of five Members, to inquire and report upon privilege matters which may be referred to it by the Assembly.

MEMBERS OF THE COMMITTEE

Hon. M.J. Palmer, MLA
(Appointed 30 November 2000)

Hon. E.H. Poole, MLA
(Appointed 30 March 2000)

Mr T.K. Mills, MLA
(Appointed 10 August 1999)

Mr S.J. Stirling, MLA
(Appointed 26 November 1997)

Dr P.H. Toyne, MLA
(Appointed 30 November 2000)

Legislative Assembly
Parliament House
Darwin
Northern Territory 0800

Telephone: (08) 89461480
Facsimile: (08) 89412256
Email: ian.mcneill@nt.gov.au

ELECTION OF CHAIRMAN

At its first meeting, on 6 December 2000, the Committee elected that the Hon. M.J. Palmer, MLA, as Chairman of the Committee.

REFERENCE TO COMMITTEE

On Thursday 30 November the Assembly referred the following matter to the Committee of Privileges:

That the action of the Member for Fannie Bay (Ms Martin) in presenting in this House on 29 November 2000 what she purported to be a graph prepared by the *Yellow Pages Business Index-Small and Medium Enterprises* could be a contempt of this parliament in that it was-

- A forged, falsified or fabricated document with intend to deceive; and
- A deliberately misleading statement.

Relevant *Hansard* Debates of Thursday 30 November 2000 can be found at Appendix "B" and "C".

BACKGROUND

On 29 November 2000 during Questions, the Leader of the Opposition, Ms C.M. Martin, MLA, in asking the Minister for Industries and Business whether he had read the Telstra Small Business Index report stated:.

"When Denis Burke became Chief Minister the government had the support of a net 55% of small businesses - and I refer to the graph. February 1999 - that has now slipped to 17% and it is worth noting the graph, down here, record low."

The graph referred to and the spreadsheet on which the graph was said to be based together with related documents were tabled in the Assembly, by leave, on 30 November 2000, by Dr Toyne. (Papers Nos 2256 to 2260, Appendix "D")

The reference of the matter to the Assembly followed two letters from the Chief Minister, the Hon. D.G. Burke, MLA, dated 30 November 2000 to the Speaker, the Hon. T.R. McCarthy, MLA, raising a matter of privilege pursuant to standing order 83 and providing further and better particulars in respect of the proposed reference to the Committee. Copies of the letters are at Appendix "E".

Pursuant to the provisions of standing order 83(5), the Speaker determined that the matter take precedence of other business as follows:

Mr SPEAKER: Honourable members, I advise that earlier this afternoon I received a letter from the Chief Minister pursuant to standing order 83 in which he raises a matter of privilege and seeks precedence over other business for the purpose of moving a motion to refer the matter to the Committee of Privileges. In considering the matter, I sought further detail as to the matter which the Chief Minister considered constituted an alleged contempt. The Chief Minister has provided that further detail to me.

I advise the Assembly that I have considered the Chief Minister's request. Taking into account the guidelines provided for by resolution of the Assembly dated 23 May 1996, and being aware that today is the last sitting day of the year and that there is limited further business to be dealt with by the Assembly, I have determined that the motion should be given precedence over other business.

An extract of the Minutes of Proceedings dated 30 November 2000 is as follows:

21. STATEMENT – MATTER OF PRIVILEGE – DOCUMENT REFERRED TO BY OPPOSITION LEADER:

The Speaker (Mr McCarthy) advised Members that earlier this day he had received a letter from the Chief Minister pursuant to Standing Order 83 in which he raised a matter of privilege and seeking precedence of other business for the purposes of moving a motion to refer the matter to the Committee of Privileges.

The Speaker advised the Assembly that he had considered the Chief Minister's request and taken into account the guidelines provided for by resolution of the Assembly dated 23 May 1996 and being aware that day is the last sitting day of the year and that there is limited further business to be dealt with by the Assembly he had determined that the motion should be given precedence of other business.

22. MATTER OF PRIVILEGE – DOCUMENT REFERRED TO BY OPPOSITION LEADER – MOTION TO REFER MATTER TO COMMITTEE OF PRIVILEGES – MOTION AGREED TO:

The Chief Minister (Mr Burke) thereupon moved – That the action of the Member for Fannie Bay (Ms Martin) in presenting to this Assembly on 29 November 2000 what she purported to be a graph prepared by the *Yellow Pages Business Index – Small and Medium Enterprises* could be a contempt of this parliament in that it was –

- A forged, falsified or fabricated document with intent to deceive; and
- A deliberately misleading statement (Paper 2268).

Debate ensued.

Paper tabled: The Leader of the Opposition (Ms Martin), by leave, laid on the Table the following Paper -

- Telstra Small Business Survey (Paper 2269).

Debate continued.

Question - put.

The Assembly divided (the Speaker, Hon. T. R. McCarthy, in the Chair) -

AYES, 15

NOES, 6

Mr Adamson
Mr Balch
Mr Baldwin
Mrs Braham
Mr Burke
Ms Carter
Mr Dunham
Mr Elferink
Dr Lim
Mr Lugg
Mr Mills

Mr Ah Kit
Mr Henderson
Ms Martin
Mr Rioli
Mr Stirling
Dr Toyne

Mr Mitchell
Mr Palmer
Mr Poole
Mr Reed

And so it was resolved in the affirmative.
Motion agreed to.

CONDUCT OF INQUIRY

At its meeting on 11 December 2000, the Committee resolved to invite the Chief Minister to submit any further relevant information or documents related to the inquiry.

The Committee also resolved, upon receipt of any further material which the Chief Minister may wish to submit, to advise the Leader of the Opposition, Ms C.M. Martin, MLA of the nature of the allegations contained in the reference, to provide her with any materials submitted by the Chief Minister and to invite her to respond in writing to those allegations.

Copies of the letters are at Appendix "F" and "G".

Responses were received from the Chief Minister, dated 22 December 2000 and the Leader of the Opposition, dated 18 January 2001.

A synopsis of the submissions is as follows:

Submission by the Hon. D.G. Burke, MLA, Chief Minister

[For complete submission see Appendix "H"]

- Both documents in question were prepared in the Office of the Leader of the Opposition and were not publications of the *Yellow Pages Business Index-Small & Medium Enterprises*.
- There was a clear inference and implication that graph was a product of the *Yellow Pages Business Index*.
- Media reports indicated that the media believed the material came from *Yellow Pages Business Index*.
- The figure used by Member for Fannie Bay to substantiate her claim that "support had fallen", was not accurate.
- The figure quoted related to a different question and could not in any way be used as a trend figure.
- The November edition of the Index had changed its name from *Small Business Index* to *Small & Medium Enterprises* to reflect the inclusion of medium business within the research.
- Under the heading "About this Survey" (page 3) the report again notes how the survey had been extended to include medium business and warns about using the information for long-term trends.

- In the "Assessment of State Government Policies" (page 20) the remarks begin with:
Business in the NT remained the most positive about their government's policies with respect to small business...

If the Member for Fannie Bay's 17% drop of 23 points was right why did the authors of report not comment on such significant fall?

- There were differences in the form of questions between November report and previous report - One seeks to find out "likely effect of policies", the other asks "Whether they are supportive or not".

- While the press release by *Yellow Pages Business Index* on its November 2000 publication commented on some disappointing results in the index in regard to Territory's businesses on subject of "Attitudes to State Government Policies" it also said:

As with the last index in August 2000, the NT Government remained by far the most popular of all state and Territory governments.

- This point should have been sufficient warning for Member for Fannie Bay to reassess her interpretation of the figures.

- This Government noted the significant changes and sought clarification from the *Yellow Page Business Index*.

- A statement of facts was faxed to Steven Shepherd (author of report) and he was asked to sign off on it.

- Following debate in the Assembly further confirmation from Mr Shepherd concerning the following points was sought:

- whether the questions were different;
- whether the attitude of small business had declined or not; and
- whether it was possible to compare the results which appeared in November 2000 Report (page 20) with those of previous reports.

- Mr Shepherd confirmed that-

- the questions were different;
- the same level of small business regarded the NT Government's policies as supportive in November as in August survey; and
- it was only possible to make comparisons by using the same question from each survey.

- In the Assembly debate on whether matter should be referred to this Committee, the Deputy Leader of the Opposition said:

If that graph is true to the figures provided in the survey, the Yellow Pages survey, as I believe it to be, where is the Chief Minister's case for fraud or for misleading the media or the House?

Now if the Chief Minister was able to prosecute a case, he would how very clearly where the graph was misleading from the information provided within the Yellow Pages.

- The Chief Minister maintains that the facts as outlined in the Assembly and which have been substantiated in this submission have shown the graph to be untrue and misleading and therefore—using the Member for Nhulunbuy's own logic—the Member for Fannie Bay is guilty of a breach of privilege.
- The Chief Minister also provided a video of Channel 8 News on Wednesday 29 November 2000 relating to the statement by the Leader of the Opposition.

Conclusion

- Even if the Member for Fannie Bay did not intend to mislead the Assembly by claiming the graph was a *Yellow Pages Business Index*, she has misled Parliament by using a false figure to manufacture the graph. She has in fact fabricated the document in order to deceive Parliament.
- The Chief Minister's submission contends that the Member for Fannie Bay is neither stupid nor so gullible that she would accept any figure, graphs or statements provided to her by third party without checking their accuracy.
- It is the Chief Minister's submission that the Member for Fannie Bay made a deliberately misleading statement to parliament and provided a fabricated document to back up that falsehood.
- The situation outlined is sufficient to demonstrate a contempt as outlined by Pettifer's under "*Forged or falsified Documents*" and "*Deliberately Misleading the House*". (*House of Representatives Practice*, 3rd ed., page 699)
- To suggest that such actions should be ignored is to treat the Parliament with contempt.
- The Chief Minister submits that such a contempt is a breach of privilege.

Submission by Mr S.J. Stirling, MLA, Deputy Leader of the Opposition

[For complete submission see Appendix "I"]

- For the Committee to successfully prosecute a contempt of Parliament it is necessary to meet the following standard of proof that:
 - the Parliament was misled;
 - the misleading was intentional;
 - the misleading was intended to or likely to amount of improper interference with the authority or function of Parliament or a Member.
- The terms of the resolution moved by the Chief Minister is clearly not enough for the Committee to find a contempt under section 5 of the *Powers and Privilege Act* "The Essential Elements of Offences".
- The graph titled "*Telstra Small Business Index Attitude to Territory Government*" was produced by the Leader of the Opposition's office using data published in the source reports over time.
- Information used to update the existing spreadsheet for November 2000 appears at page 20, "Assessment of State Government Policies".
- Data was extracted from a chart on page 20 titled "Impact of State or Territory Government Policies-SMES".

- No allegation of forgery falsification or fabrication can be sustained simply because the raw data from the source document has been presented in the form of graph.
- The chart on page 20, of the November 2000 report is clear:
NT 34% positive; 49% no effect; 17% negative; leaving a net 17% positive view of Government economic policies.
- Correspondence between the NT Treasury and Mr Steven Shepherd does not question the validity of the chart.
- Mr Shepherd is not asked to verify the findings in his correspondence. He is asked to confirm that support for government remained unchanged at 40%.
- If the Member for Brennan believes the findings in the chart, page 20, are erroneous why is the finding not challenged?

Conclusion

- There is no substance to the Member from Brennan's allegations that Member for Fannie Bay misled Parliament.
- Accordingly Committee has no option but to dismiss alleged contempt of Parliament.

FINDING OF COMMITTEE

The Committee met again on 9 February to consider the submissions. Following an examination of the submissions and discussion, the Committee resolved to record the following finding:

Although it appears there may have been some confusion surrounding the meaning and use of information contained within both the *Yellow Pages Small Business Index* and the *Yellow Pages Business Index-Small and Medium Enterprises*, the Committee is of the opinion that Ms Martin did not mislead the Assembly.

MICK PALMER

Chairman

APPENDIX "A"

SESSIONAL ORDERS

PRIVILEGE MATTERS—GUIDELINES FOR PRECEDENCE OF OTHER BUSINESS

Notwithstanding anything contained in the Standing Orders, and unless otherwise ordered, in determining whether a motion arising from a matter of privilege should have precedence of other business, the Speaker shall have regard only to the following criteria:

- (a) that principle that the Assembly's power to adjudge and deal with contempts should be used only where it is necessary to provide reasonable protection for the Assembly and its committees and for Members against improper acts tending substantially to obstruct them in the performance of their functions and should not be used in respect of matters which appear to be of a trivial nature or unworthy of the attention of the Assembly; and
- (b) the existence of any remedy other than that power for any act which may be held to be a contempt.

Recommendation from Second Report of Standing Orders Committee, motion adopting report agreed to 23 May 1996.

PRIVILEGES COMMITTEE—WITNESS PROTECTION PROCEDURES

That, in consideration of any matter referred to it which may involve, or gives rise to any allegation of, a contempt, the Committee of Privileges shall observe the procedures set out in this resolution, in addition to the procedures required by the Assembly for the protection of witnesses before committees. Where this resolution is inconsistent with the procedures required by the Assembly for the protection of witnesses, this resolution shall prevail to the extent of the inconsistency.

- (1) A person shall, as soon as practicable, be informed, in writing, of the nature of any allegations, known to the Committee and relevant to the Committee's inquiry, against the person, and of the particulars of any evidence which has been given in respect of the person.
- (2) The Committee shall extend to that person all reasonable opportunity to respond to such allegations and evidence by:
 - (a) making written submission to the Committee;
 - (b) giving evidence before the Committee;
 - (c) having other evidence placed before the Committee; and

- (d) having witnesses examined before the Committee.
- (3) Where oral evidence is given containing any allegation against, or reflecting adversely on, a person, the Committee shall ensure as far as possible that that person is present during the hearing of that evidence, and shall afford all reasonable opportunity for that person, by counsel or personally, to examine witnesses in relation to that evidence.
- (4) A person appearing before the Committee may be accompanied by counsel, and shall be given all reasonable opportunity to consult counsel during that appearance.
- (5) A witness shall not be required to answer in public session any question where the Committee has reason to believe that the answer may incriminate the witness.
- (6) Witnesses shall be heard by the Committee on oath or affirmation.
- (7) Hearing of evidence by the Committee shall be conducted in public session, except where:
 - (a) the Committee accedes to a request by a witness that the evidence of that witness be heard in private session;
 - (b) the Committee determines that the interests of a witness would best be protected by hearing evidence in private session; or
 - (c) the Committee considers that circumstances are otherwise such as to warrant the hearing of evidence in private session.
- (8) The Committee may appoint, on terms and conditions approved by the Speaker, counsel to assist it.
- (9) The Committee may authorise, subject to rules determined by the Committee, the examination by counsel of witnesses before the Committee.
- (10) As soon as practicable after the Committee has determined findings to be included in the Committee's report to the Assembly, and prior to the presentation of the report, a person affected by those findings shall be acquainted with the findings and afforded all reasonable opportunity to make submissions to the Committee, in writing and orally, on those findings. The Committee shall take such submissions into account before making its report to the Assembly.

- (11) The Committee may recommend to the Speaker the reimbursement of costs of representation of witnesses before the Committee. Where the Speaker is satisfied that a person would suffer substantial hardship due to liability to pay the costs of representation of the person before the Committee, the Speaker may make reimbursement of all or part of such costs as the Speaker considers reasonable.
- (12) Before appearing before the Committee a witness shall be given a copy of this resolution.

Recommendation from Second Report of Standing Orders Committee, motion adopting report agreed to 23 May 1996.

APPENDIX "B"

**EXTRACT OF HANSARD
QUESTION
by Ms MARTIN to MINISTER for INDUSTRIES and BUSINESS
WEDNESDAY 29 NOVEMBER 2000**

BUSINESS CONFIDENCE –TELSTRA SMALL BUSINESS INDEX

Ms MARTIN to MINISTER for INDUSTRIES and BUSINESS

Yesterday the Chief Minister referred to the Telstra Small Business Index and the Country Liberal Party's apparent popularity. Minister, have you had a chance to read through the report yourself? I hope so.

- When Denis Burke became Chief Minister the government had the support of a net 55% of small businesses – and I refer to the graph. Here we are, February 1999. That has now slipped to 17% and it is worth noting the graph, down here, record low. Further, business confidence has fallen from 74% expected better times over the next year to just 25%.

Would the minister like to explain to Territorians why the government's popularity with small business is at its lowest-ever level, or why small business confidence has plummeted since Chief Minister Burke and Deputy Reed have been steering the Territory's economy?

Mr DUNHAM: Mr Speaker, I ask that the statement the Leader of the Opposition quoted from be tabled.

Ms Martin: Denis said he had it yesterday.

Mr SPEAKER: That is fine. I am sure the member will have no trouble tabling that.

ANSWER

Mr Speaker, I think the core thing here that people should understand, listening to this broadcast, is that the Leader of the Opposition was not listening yesterday to the Chief Minister. In fact, most of us heard the answer that he gave and I thought it was very good. The answer he gave was quoting from the Small Business Index Yellow Pages and the point to note here is the confidence in comparison in other jurisdictions that is being placed in the Northern Territory government. And as the index says again this year, 'The Northern Territory government remained by far the most popular of all states and territory governments with more than one third of SMES believing that the Territory government policies supported small business', which is saying that compared to all other states the business sector out there believes that the Northern Territory is doing the a good job for small businesses.

- I take my time to go and consult with small business and, yes, there are concerns out there about the business sector, that it is quiet and flat in some regards. But that is not to say that the confidence is waning. In fact, they have a lot of confidence in the future. If the Leader of the Opposition wants to read the full index here she would see that the business community believes that the future for their prospects is very bright.

APPENDIX "C"

**EXTRACT OF HANSARD
DEBATES
THURSDAY 30 NOVEMBER 2000**

MATTER OF PRIVILEGE

Referral of Member for Fannie Bay

Mr SPEAKER: Honourable members, I advise that earlier this afternoon I received a letter from the Chief Minister pursuant to standing order 83 in which he raises a matter of privilege and seeks precedence over other business for the purpose of moving a motion to refer the matter to the Committee of Privileges. In considering the matter, I sought further detail as to the matter which the Chief Minister considered constituted an alleged contempt. The Chief Minister has provided that further detail to me.

I advise the Assembly that I have considered the Chief Minister's request. Taking into account the guidelines provided for by resolution of the Assembly dated 23 May 1996, and being aware that today is the last sitting day of the year and that there is limited further business to be dealt with by the Assembly, I have determined that the motion should be given precedence over other business.

Mr BURKE (Chief Minister): Mr Speaker, I move that the action of the member for Fannie Bay in presenting to this House on 29 November 2000 what she purported to be a graph prepared by the *Yellow Pages Business Index-Small and Medium Business Enterprises* could be a contempt of this parliament in that it was: (a) a forged, falsified or fabricated document with intent to deceive; and (b) a deliberately misleading statement, and that the matter be referred to the Privileges Committee.

First we have to go back to Tuesday's Question Time, when the Leader of the Opposition asked a question of the Chief Minister with regard to the economy. In reply to that question, I asked the Leader of the Opposition if she had taken note of the latest Yellow Pages survey, part of a regular survey that they do on a range of issues including small and medium businesses' attitude to government policies. I quoted from that Yellow Pages survey, and remind honourable members what it said:

As with the last index in August this year, the Northern Territory government remained by far the most popular of all state or territory governments. More than one-third of small and medium enterprises believed the Territory government policies supported small business, while only 17% thought these policies worked against them. This was well up on state and territory government support throughout the rest of Australia and highlighted the feeling among small businesses in the Northern Territory that the Territory government was both supportive of and interested in small business.

At the time the Leader of the Opposition had no knowledge of what I was saying. She obviously had not been given any brief on that particular issue.

While I was away from the parliament yesterday, the Leader of the Opposition rose to her feet and asked a question of the Treasurer. It was clear in the comment of the member for Fannie Bay in her question yesterday what she was actually up to. (This is called Merry Christmas!) I quote from *Hansard*:

Yesterday [referring to Tuesday] the Chief Minister referred to the Telstra Small Business Index and the Country Liberal Party's apparent popularity. [Now there is a sign of gross ignorance. She refers to this thing as the Telstra Small Business Index. It is the Yellow Pages Business Index. She did not even get the name right.] Minister, have you had a chance to read through the report yourself? I hope so. When Denis Burke became Chief Minister the government had the support of a net 55% of small businesses, and I refer to the graph, February 1999.

The graph that she referred to was headed: 'Telstra Small Business Index, Attitudes to Territory Government'. There is the graph she showed to everyone. She had at the back of it: 'Source, Telstra Small Business Index November 2000'. I remind honourable members there is no such thing as a Telstra small business index, as I understand it. The index we are talking to is the Yellow Pages.

Mr Stirling interjecting.

Mr SPEAKER: Order! I ask the member to withdraw that statement.

Mr STIRLING: Absolute truth, but I withdraw, Mr Speaker.

Mr SPEAKER: That is a rather unusual withdrawal, but thank you.

Mr BURKE: She goes on:

That has now slipped to 17% and it is worth noting the graph, down here - record low. Further, business confidence has fallen from 74% who expected better times over the next year to just 25%. Would the minister like to explain to Territorians why the government's popularity with small business is at its lowest level ever, or why small business confidence has plummeted since Chief Minister Burke and deputy Reed have been steering the Territory's economy?

She then, of course, left the Chamber with this graph, a graph she refused to table at the time, I might add, after urgings from the member for Drysdale. She has now, after continuing urging from the government, tabled the graph. She used this graph to reinforce her claims that were made in that particular question. She used this graph, once again, to try and mislead. Once again, she tried to mislead the media, first of all that this was a *bona fide* graph put out by Telstra and, secondly ...

Members interjecting.

Mr BURKE: The member for Wanguri interjects. The fact that figures were fabricated is part of the point of the reference, and I am pleased the member for Wanguri has admitted that is what happened. The figures were taken and fabricated to create this graph. It is this graph and those figures that she took to the press and tried to claim this graph was, firstly, the graph that referred to figures that were in fact from the Yellow Pages Index. That is the first fabrication.

The fact of the matter is, the questions that were asked in the Yellow Pages Index, the results that were obtained from the Yellow Pages Index, bear no relationship to the fabrication and falsification of those records that now appear as the graph that has been produced by the Leader of the Opposition. The true situation was, as alluded to by the Treasurer this morning, with regard to business confidence and the attitude of small and medium enterprises to government policies, the opinion of the respondents of Territory government policies was unchanged at 40%.

Ms Martin: You should be taking your friend to Privileges over his lies on the transmission line.

Mr SPEAKER: Order! The Leader of the Opposition will withdraw that comment.

Ms MARTIN: I withdraw 'lies'.

Mr BURKE: This is the true situation. What I am saying has been confirmed by Mr Steven Shepherd, the senior economist of Pacific Access, the economist who is the spokesperson for the Yellow Pages Business Index.

The Yellow Pages survey is based on a set of questions that are asked in each survey. The survey is intended to show up trends over time based on answers to these questions that have been asked over a long period.

The question that the Treasurer refers to, that resulted in a true picture of unchanged 40% approval, was this: 'Overall, do you believe your state or territory government's economic and other policies are supportive of small business or have no real impact either way?' The survey results for the Northern Territory government for this question were unchanged at 40%. I remind members that what I am saying is backed by Mr Steven Shepherd in a fax today. The survey results for the Northern Territory government for this question were unchanged at 40% support. However, the results for this question were not published in the November report. In the most recent survey ...

Dr Toyne: So how are we supposed to ...

Mr BURKE: The scholar from Stuart, the most educated person in this parliament, the self-appointed scholar from Stuart, asks how else are they supposed to do it, except essentially to make it up. My godfather! This is supposed to be a responsible opposition in debate in this House about economic issues. There is a young fellow who is going to hunt you down next election.

Members interjecting.

Mr BURKE: Mr Speaker, could you ask my colleagues and others to quieten down?

In addition to the old question, the question that had been asked consistently in this survey, a new question was added. The new question was this: 'Thinking about your state or territory government, do you believe that its economic and small business policies are likely to have a positive, negative or no effect on your business?' In relation to this new question the survey reported that 17% of businesses thought that Northern Territory government policies worked against them, but 30% thought that Northern Territory government policies worked for them. The survey concluded that this level of support was well up on other governments, and that the Northern Territory government remained by far the most popular of all state and territory governments.

The chart tabled in the Assembly yesterday uses the results from the longstanding question for data to August 2000 but for November 2000 has used the result for this new question. There is no reference to the fact that the chart used the response from a different question for November and that this is the reason for the apparent decline. What we have seen here is the most blatant example of purposeful misrepresentation in an attempt to mislead. And again the media have fallen hook, line and sinker for the fabricated graph, the false graph, the fabricated and false information.

Her actions condemn her, in my opinion. We have procedures in this House to deal with an abuse of privilege. That abuse of privilege can be summed up in the words of Pettifer at page 699: 'It is a contempt to ...

Members interjecting.

Mr SPEAKER: Order!

Mr BURKE: The Leader of the Opposition is a great one for allegations, accusations, fabrications and intentions to mislead. But as soon as she gets a little bit back, she goes to water. If you keep doing it you will eventually get a bath. You have misled this House. You have misled the media. You have attempted to deceive on any number of occasions. This is an abuse of privilege. This is contempt for the House, and we have procedures to deal with it.

What she has done, as I said, is easily summed up in Pettifer on page 699:

It is a contempt to present or cause to be presented to either House or to a committee forged, falsified or fabricated documents with intent to deceive.

This is fabricated documentation. This is forged and falsified information. This is a deliberate attempt to mislead. I move that the member for her actions be referred to the Privileges Committee.

Mr STIRLING (Nhulunbuy): Very cute, Mr Speaker. It is obviously the season of goodwill and good spirit from the other side. They are hurting bad when they stoop to the levels such as this to try to hang something on the Leader of the Opposition.

I heard most of what the Chief Minister had to say. I was prepared to hear him out, to see how he was prosecuting the case for misleading information. It is not good enough for him to suggest that because a graph is drawn from information supplied in a survey that that graph itself is a forgery. You did not put up the evidence of where it is a forgery. If that graph is true to the figures provided in the survey, the Yellow Pages survey, as I believe it to be, where is his case for fraud or for misleading the media, or for misleading the House?

We have had three days of misleading from this government, with this Treasurer on his feet day in and day out ...

Mr DUNHAM: A point of order, Mr Speaker! The government is not being accused of misleading the House. The member for Fannie Bay is being accused. He cannot make that assertion unless he wishes to move a motion of this type.

Mr SPEAKER: While that is true, similar comments have been thrown across this House from both sides at recent times. They have not been picked up. They have been let go. We are in the heat of debate on an important and serious issue here. I think that on this particular occasion I will let it go. But I ask members to refrain as much as possible from using unparliamentary language in debates.

Mr STIRLING: Mr Speaker, at the outset of this three day session of parliament, the opposition sought to find out one thing from government. That is what this parliament is here for, to make you blokes accountable to the people of the Northern Territory for the actions that you take. What we sought to do at the commencement of this session of parliament was to uncover the truth behind this powerline deal, whether there was in fact an obligation on government ...

Mr REED: A point of order, Mr Speaker! This debate is about the Yellow Pages Business Index and a motion that the Chief Minister has moved. It has absolutely nothing to do with the transmission line. The substance of this debate is the misleading of the House by the Leader of the Opposition.

Mr SPEAKER: I agree with that. There is a point of order. You should confine your remarks to the matter in question.

Mr STIRLING: We have all week been trying to seek the evidence that there was in fact an obligation. At the end of the week, there is absolutely no such evidence. The Treasurer is still no closer to being able to provide that substantiation.

Mr SPEAKER: Order! I did rule that the member should stick to the debate.

Mr STIRLING: Mr Speaker, I take your point. The fact is, they are hurting. They are hurting as a result of that exposure of an absolute waste of money, and they are looking around for something to get back at the opposition with, something to try to hurt the Leader of the Opposition.

If the Chief Minister was able to prosecute a case, he would show very clearly where the graph was misleading from the information provided within the Yellow Pages. He was the one who jumped to his feet here, I think on Tuesday - he was not here on Wednesday - to say how wonderfully the government was doing on the basis of, I think, one finding in that survey. When we went to have a look at the survey, we found a very, very different picture. So he is a bit selective in his use of the information out of that survey.

If we simply draw a graph from the findings of that survey and produce it - now, I appreciate he may have something wrong with his comprehension. He may be unable to visualise things as others do. He may be happy with only seeing numbers and figures, but unable to see them in the form of a graph. Obviously, when they are put to him in the form of a graph, he has great difficulty.

If he is able to put the case, why didn't he? Why didn't he tell us where the figures were wrong and where the misleading information was? I simply do not understand what his point of prosecution is on this, where the Leader of the Opposition has misled anybody. I do not think there is absolutely any substance to the case for referral to Privileges at all.

The other point I want to make is that the constitution of the Privileges Committee as it stands at the moment is Mr Burke, Ms Martin, Mr Mills and Mr Stirling. Now, any process of natural justice would disqualify, of course, the Chief Minister himself from sitting on a committee to which he himself has made the referral and, of course, Ms Martin, as the person being referred. If the government is going to use their numbers to get up this pathetic little motion, they need to look at the constitution of this committee before this parliament rises tonight. Presumably at some stage in the near future this committee will have to be drawn together, provided all government members back this, and undoubtedly they will.

There is no substance to this motion. It is a pathetic, grubby and cowardly attempt to denigrate the Leader of the Opposition on a day when those with bigger things on their mind may have been filled a little bit with the spirit of goodwill and Christmas cheer - but obviously not this curmudgeonly little Chief Minister that we have.

Mr REED (Treasurer): Mr Speaker, I must respond to some of those remarks. That was really a gutter rat contribution by the Deputy Leader of the Opposition.

This is a matter of privilege and it must be taken very seriously. It gets to the core of the behaviour of members of this House. In this particular case, it is a matter of contempt in terms of the standing orders under which we operate and the protocols which we should be adhering to. The fact is that the Leader of the Opposition, in the government's belief, has misrepresented information that she has had available to her. She has done that quite purposely and she has done it in such a way as to paint the government in a bad light.

She can smirk and say all sorts of nasty things about us. The Deputy Leader of the Opposition says it is Christmas and there should be a spirit of goodwill. Well, if it is Christmas and there is a spirit of goodwill, why did the Leader of the Opposition falsify documentation to mislead this House and to mislead Territorians, and do it in the name of a private sector operation?

She has besmirched not only this House, not only her own goodwill, but also the goodwill of Telstra. Her use of Telstra's good name on the document that she prepared should be ringing bells of concern in the Leader of the Opposition's mind and in the minds of her colleagues.

This is not 'a pathetic little motion' as portrayed by the Deputy Leader of the Opposition. This is a very serious motion. The Leader of the Opposition, whether she was misled by the advice that was provided to her, incorrectly produced a graph. You have to wonder why she was so reluctant to table it when yesterday she gave a commitment to table it. This must be put on the record in the context of this matter and this debate - why, after her undertaking to table the two graphs she referred to in Question Time yesterday, it took us over 24 hours to gain copies of that through the tabling process.

She was asked this morning in Question Time if she could table it and she again gave a commitment. She sent the boy doctor there scurrying up to an office somewhere to get copies of it. He came back and could not produce it. It was necessary for me on a later occasion, earlier this afternoon, through you, Mr Speaker, to again ask the Leader of the Opposition to table the documents that she undertook to table yesterday, that she undertook to table at Question Time today. She had to be asked for them again this afternoon and only then did she subsequently table them.

She had something to hide. This is the member for Fannie Bay, who espouses freedom of information and says people should be able to get copies of documentation the moment they call for it - from anybody else, of course, anybody else except the Leader of the Opposition. She is the one who should be, in her view, making the rules, but not living by the rules.

The Deputy Leader of the Opposition refers to this as 'a pathetic little motion'. But for the Leader of the Opposition to be so curmudgeonly in tabling the papers, taking well over 24 hours to do it, clearly demonstrates that something had twigged even in her feeble mind as to the validity of the documents to which she referred yesterday. I think she was trying to weasel out of the tabling process in the event that it might save her. Well, nothing will save her from this.

The man who was responsible for producing these documents believes that the government's interpretation is correct and that the Leader of the Opposition's interpretation - or should I say misinterpretation and falsification and doctoring of the Yellow Pages data - is wrong. That is what this is all about.

A contempt has been perpetrated by the Leader of the Opposition and she has to answer for it. That is why this is a very serious debate and not 'a pathetic little motion' as the gutter rat from Nhulunbuy prior to her portrayed it.

Mr SPEAKER: Order! The Deputy Chief Minister should withdraw that remark.

Mr REED: The gutter rat known as the member for Nhulunbuy, referring to him by his correct title. I withdraw it if you find that necessary, Mr Speaker.

This matter cannot just be ducked out from under by the Leader of the Opposition. It is very serious and it affects more than the members of this House. It reflects very poorly on this House.

It reflects appallingly on the integrity of the Leader of the Opposition. And, very sadly, it reflects on a private company, the Yellow Pages company, who I am sure do not like being besmirched in the way that they have been, being misrepresented in the way that they have been by the Leader of the Opposition. And, worst of all, she has tried to mislead Territorians in the same way.

Ms MARTIN (Opposition Leader): Mr Speaker, listening to what we have just heard from the Chief Minister and the Deputy Chief Minister, they are making allegations with absolutely no proof. It is all very well to come in here and pretend that you are getting very serious about a motion to refer to Privileges, but you have absolutely no evidence. You have presented nothing other than words like 'gutter rat' and hyperbole of various sorts.

The contempt is that this is just a joke. We have the Chief Minister signing his Christmas cards. 'Oh, this is serious, this is absolutely serious'. And what does he do? He signs his Christmas cards.

Let us deal with some issues. First, it was unfortunate yesterday that the documents were not tabled because they were not picked up from my desk.

Mr Reed: Oh, it wasn't your fault! It was someone else's fault.

Mr SPEAKER: Order!

Mr Reed: You are a disgrace.

Mr SPEAKER: Order, Deputy Chief Minister!

Ms MARTIN: I am not blaming the staff. I am saying that the documents were on my desk and they were not picked up. It is unfortunate. But at the same time ...

Mr Reed interjecting.

Mr SPEAKER: Order! The Deputy Chief Minister has had his opportunity. Please remain quiet.

Ms MARTIN: I did explain to Mr Speaker this morning that it was unfortunate, but I am not going to lay blame for it.

But at the same time I had a spare copy and I gave it to the member for Drysdale. That is how you were able to stand in here this morning with copies of them. Where did you get them from? You hypocrite and liar!

Mr SPEAKER: Order! Please withdraw.

Ms MARTIN: I withdraw.

Mr Reed interjecting.

Mr SPEAKER: Order! Will the Deputy Chief Minister please settle down?

Ms MARTIN: I ask the member for Katherine where did he get those from this morning. Where did he get them from, if we were not producing them?

Mr Reed interjecting.

Dr Toyne: There he goes again. Warn him.

Ms MARTIN: He just cannot help himself.

Mr SPEAKER: I have let you fellows get away with a lot more than that, I can assure you.

Ms MARTIN: We absolutely stand by these graphs. They are based on the figures in the same kind of way - are you trying to pretend we doctored these figures? They are based on tracking figures. They are absolutely accurate. In the same way that we have produced graphs in here based on figures before, and graphs are produced in your Treasury documents, your annual financial report, there are graphs in here produced from ABS statistics. There are graphs produced from all kinds of other levels. We use them all the time. They occur in the minister's own documents.

What is this stupid and illogical argument that we cannot take figures and put them into a pictorial ...

Mr Burke: You falsely represented the situation.

Ms MARTIN: Show us how these are wrong.

Mr Burke: You falsely represented the situation, the trend line.

Ms MARTIN: The trend line is absolutely accurate. There was a small inaccuracy in what I said yesterday. I said the Chief Minister had support from 55%. I misquoted. It should be been a net 48%. I was even kind to you. In fact, it had not gone from 55 to 17. It went from 48 to 17. It is an indictment of you.

What we produced were the figures and this is the result, from a bunch of people who do not like the truth. You know the economy is stagnant. Gross state product shows that we have not had any growth in 12 months. The construction sector is crying out. Private enterprise is saying: 'Why aren't you leading? You're doing nothing'.

Mr REED: A point of order, Mr Speaker! The construction industry has nothing to do with this debate. This is a matter of privilege. You answer the allegations.

Mr SPEAKER: It is in fact a matter of privilege, basically confined to the matter raised today, and you should as nearly as possible stick to that. I did bring the Deputy Chief Minister, I believe, into line, as well as the member for Nhulunbuy, on the same grounds. You need to stick to the confines of the motion.

Ms MARTIN: This mob come in here and raise an issue of privilege without any substantial information, with no evidence, with just a lot of blurring of the lines to suit their arguments. Why are they doing it? Because the Chief Minister does not like the truth. And the truth is that this honestly reflects what is happening, very sadly, in our community.

Business does not have confidence in this government. It has slid away. And the best he can do, rather than tackle the issues, is shoot the messenger. There are lots more messengers out there. I am one. All he can do is argue that the figures are wrong. He cannot accept the figures and the fact that we put them in a graph. That does not look good for him. We did the same thing as we do very often. We put them into a graph - the same thing that you do very, very often. But you do not like it and the smart-arse thing to do is to come in here ...

Mr LUGG: A point of order, Mr Speaker! I don't believe the term 'smart-arse' should be allowed.

Mr SPEAKER: No, probably not. Frankly, it is unparliamentary. But we have had similar things. I ask the member to withdraw.

Ms MARTIN: I withdraw.

This is the best they can do, the best attempt. It is a real abuse of this parliament to do it, after three days of listening to the greatest web of deceit we have heard in here for some time.

Mr DUNHAM: A point of order, Mr Speaker! Claiming a 'web of deceit' means that this side of parliament has been lying. That is not what this motion is about. The motion is about the untruths that have been perpetrated through the document that she tabled. It is not a defence to attack this government for being deceitful when the motion is about the member for Fannie Bay being deceitful.

Mr STIRLING: Speaking to the point of order, Mr Speaker, the word 'deceit' has been used so often in this Chamber by members opposite against the Leader of the Opposition that we are heartily sick of it. It is a little cute and a little rude for the member to take offence.

Mr SPEAKER: I was about to say again, as I have said many times here, that when both sides of the House use a word continuously and no one picks it up, it becomes basically common usage. The word 'deceit' has been commonly used here from both sides for a long time, and as a consequence I could not rule it out of order at this particular time. While I say again that the argument should be confined to the parameters of the privilege matter that is before us, I think we have to be prepared to accept a little robustness in the debate.

Ms MARTIN: We have had three days of an extraordinary web of deceit from this government, and this is the best you can do. You are playing games with this parliament. You have not told the truth over the last few days, and now you think the best you can do is play games with what is a serious aspect of this parliament – privilege. You are an absolute disgrace.

We get an idea of the vengefulness of this glass-jawed Chief Minister. He does not like the truth. He is a man who thinks everyone must salute calmly and quietly and subserviently to him. He does not believe we should have an opposition in here. He believes I should answer to him. He does not like it when the figures do not work his way. He does not like...

Mr REED: A point of order, Mr Speaker! Speaking of figures, could I, before she sits down, ask the Leader of the Opposition for her ...

Ms MARTIN: It is not a point of order. Sit down!

Mr REED: The Leader of the Opposition was referring to a table which she held up and said: 'This is the document we made the graph from'. I ask her to table that document.

Dr Toyne: That document has been tabled. I tabled it myself.

Mr SPEAKER: Has that document has been tabled? Would you table the document, please?

Ms MARTIN: Yes, absolutely.

Mr Reed: How was it tabled and you still have it? That is how deceitful you are.

Ms MARTIN: I despair of this man. You have many copies of things. For heaven's sake, it is called a printer. You print it out.

This is an appalling motion. It should be rejected, but very sadly it won't be, because it goes down to the numbers. You are playing games with a serious issue for this parliament. It shows in what contempt you hold this parliament. You use it for vengefulness. You use it to try and protect yourself against the realities of the Territory community, that since this Chief Minister has been Chief Minister there has been a dramatic decline in confidence in the Territory government by business. He cannot accept it, so the best he can do is try and shoot the messenger. It is a disgrace.

Mr DUNHAM (Health, Family and Children's Services): Mr Speaker, I think this is a very important motion that should be treated very seriously. I take heed of the closing words of the member for Fannie Bay when she says this will go to the numbers and she will be defeated. I would think that in her position, if she has an eloquent case to put, she should be confident that a committee of this parliament will give her a good hearing. If she believes that she has in some way made a mistake by using the good name of Telstra on that thing when she shouldn't have, or used numbers that she shouldn't have, or somehow in the spreadsheet the numbers got mixed up, I am sure she could present that case to Privileges and the committee would give her a good hearing.

As to the abnormal means by which she claims the paper was tabled, yes, I will admit that the papers found their way on to my desk by virtue of the Leader of the Opposition handing them to me. So you do not need to worry. I will back you up on that. The point I make is that she would be entirely aware that that does not constitute tabling in the first place.

Ms Martin: No, there was another set here to be tabled.

Dr Toyne: She agreed to table it and left it on the desk to be picked up. It did not get picked up. Big deal!

Mr DUNHAM: I think it is well and truly below members of this House to blame the attendants for something that is their own responsibility.

The other point I would make is that some of the interjections have gone to, 'Aha, we've got you with this one!', 'It's starting to hurt', and whatever. I think this is a tactic that is being used and it is important that the tactic stops.

For my own part, I am aware of many occasions when Labor have gone to the public with information I believe to be false. Some I have mentioned in this House. One related to the AIMS night patrol. One was a referral by the same member to the Ombudsman. Then in the newsletter that has been circulating only this morning, the Leader of the Opposition talks about a very important debate being gagged, which was not true. The motion was put and the numbers were not here to sustain a vote one way or the other. Neither was there a division.

There are three examples where I have been at a bit of a loss to look at some method by which the Leader of the Opposition could have it brought to her attention that this is a very important place. The institutions of parliament should be respected. With an election looming in the next 12 months, I think people should be very wary about a technique such as this, which has been colloquially called push-polling.

If the opposition want to go and fabricate information to the electorate, they should be aware that in some circumstances they offend some of the institutions of our democracy. In this

particular case, they offended the institution of this parliament. It is a particularly important process that is being undertaken.

I do not think the Leader of the Opposition should in some way imply that the Privileges Committee is some kind of kangaroo court. I am sure she will get a fair and adequate hearing in that committee. I am sure she will be able to explain why 'Telstra' appeared on this. I am sure she will be able to explain why a hybrid use of numbers turned out to be a graph like that that did not even represent the sample that was taken. I suggest she use the parliament for the purpose for which it was intended, and I suggest she give a full and accurate account of how it came to be that a graph that was used in this place was so substantially flawed.

Dr TOYNE (Stuart): Mr Speaker, first of all there is absolutely no doubt that the spreadsheets which have only been tabled today – you have now had access to those spreadsheets – if you check them against the eight or so editions of the Yellow Pages you will find there is a direct sourcing of all the information on those spreadsheets out of the Yellow Pages editions that are pertinent to the graphs that were used in the House. There is no doubt the data that underlies those graphs came directly from the Yellow Pages published data. There is no fudging of those figures whatsoever.

If that is the core of your motion, then your motion has no substance whatsoever. There has been no misleading information or false information. The information there is solely what has been published inside eight editions of the Yellow Pages. Eight quarterly editions were used to collate those figures into the spreadsheet, the spreadsheet was used to produce the graph. So if that is the substance of your motion, then you do not have any substance to your motion.

Obviously, you are going to use your numbers here today to push this motion through. We will tell you that we do not think it is a motion worthy of any sort of respect in the House, and obviously we are going to divide. But if this is going to the Privileges Committee, two members of that committee have to be replaced. That is something this House has to deal with – the composition of this committee.

The second issue is the timing of the committee hearing, which should be as soon as possible to expedite this matter. We have no concerns about it. We know that the arguments are there to justify the accuracy of what has been said in this House. Bring it on. Bring it on quickly.

The Assembly divided:

Ayes 15

Noes 6

Mr Adamson	Mr Ah Kit
Mr Balch	Mr Henderson
Mr Baldwin	Ms Martin
Mrs Braham	Mr Rioli
Mr Burke	Mr Stirling
Ms Carter	Dr Toyne
Mr Dunham	
Mr Elferink	
Dr Lim	
Mr Lugg	
Mr Mills	
Mr Mitchell	
Mr Palmer	
Mr Poole	
Mr Reed	

Motion agreed to.

APPENDIX "D"

PAPERS TABLED BY DR TOYNE ON 30 NOVEMBER 2000

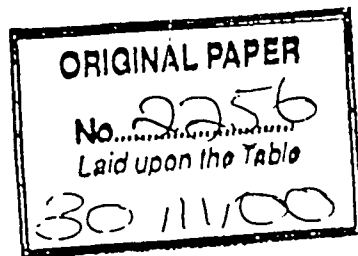
Paper No. 2256 Telstra Small Business Survey—Attitude to Territory Government

Paper No. 2257, Telstra Small Business Survey—Business Confidence

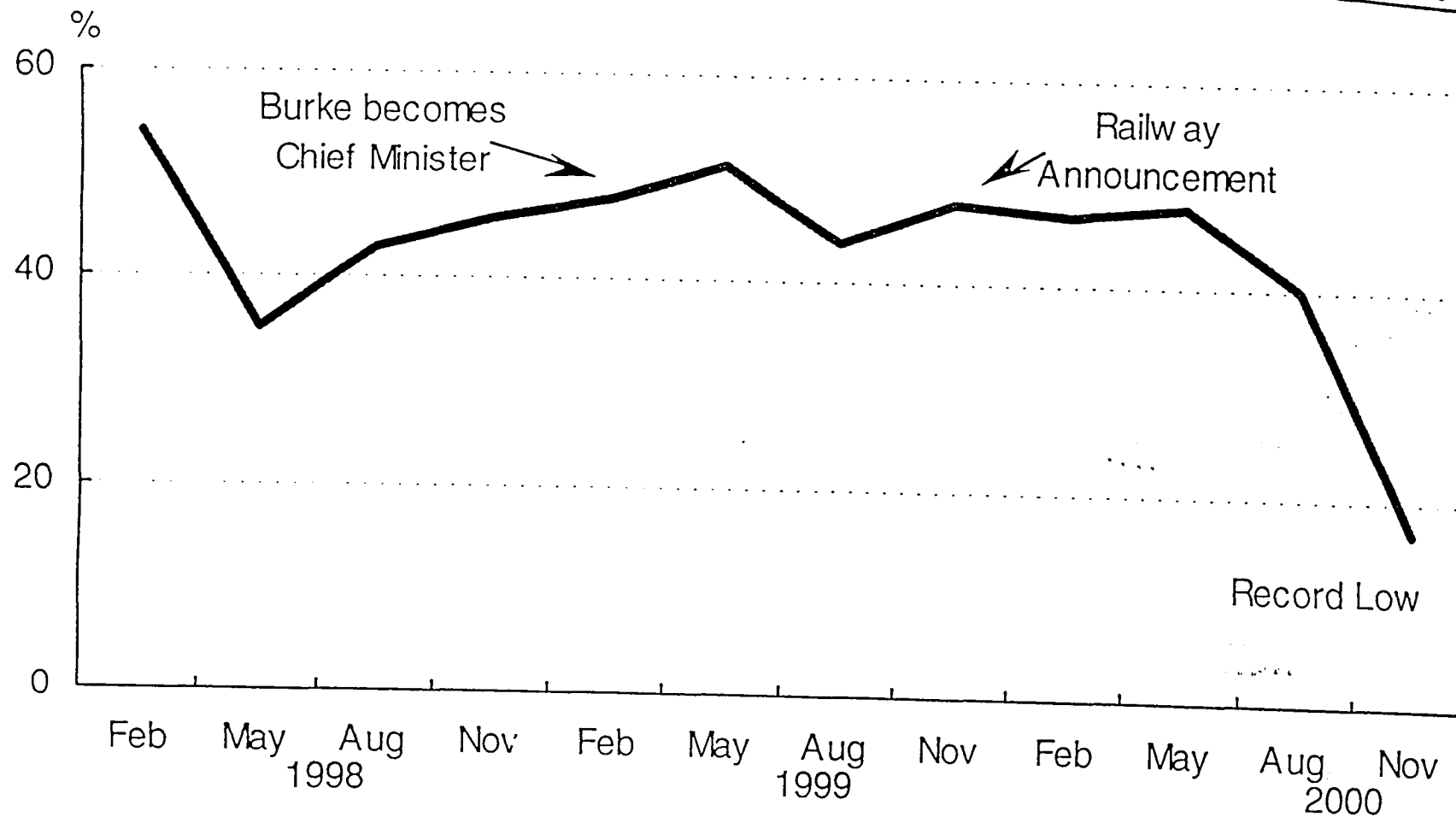
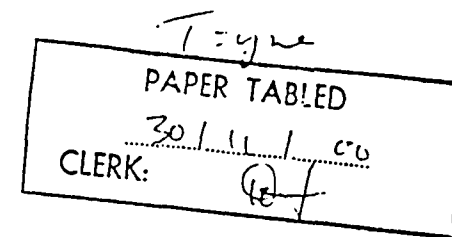
Paper No. 2258, Small Business Index, February 1999

Paper No. 2259, Telstra Small Business Survey

Paper No. 2260, Yellow Pages Business Index, November 2000



TELSTRA SMALL BUSINESS INDEX
ATTITUDE TO TERRITORY GOVERNMENT



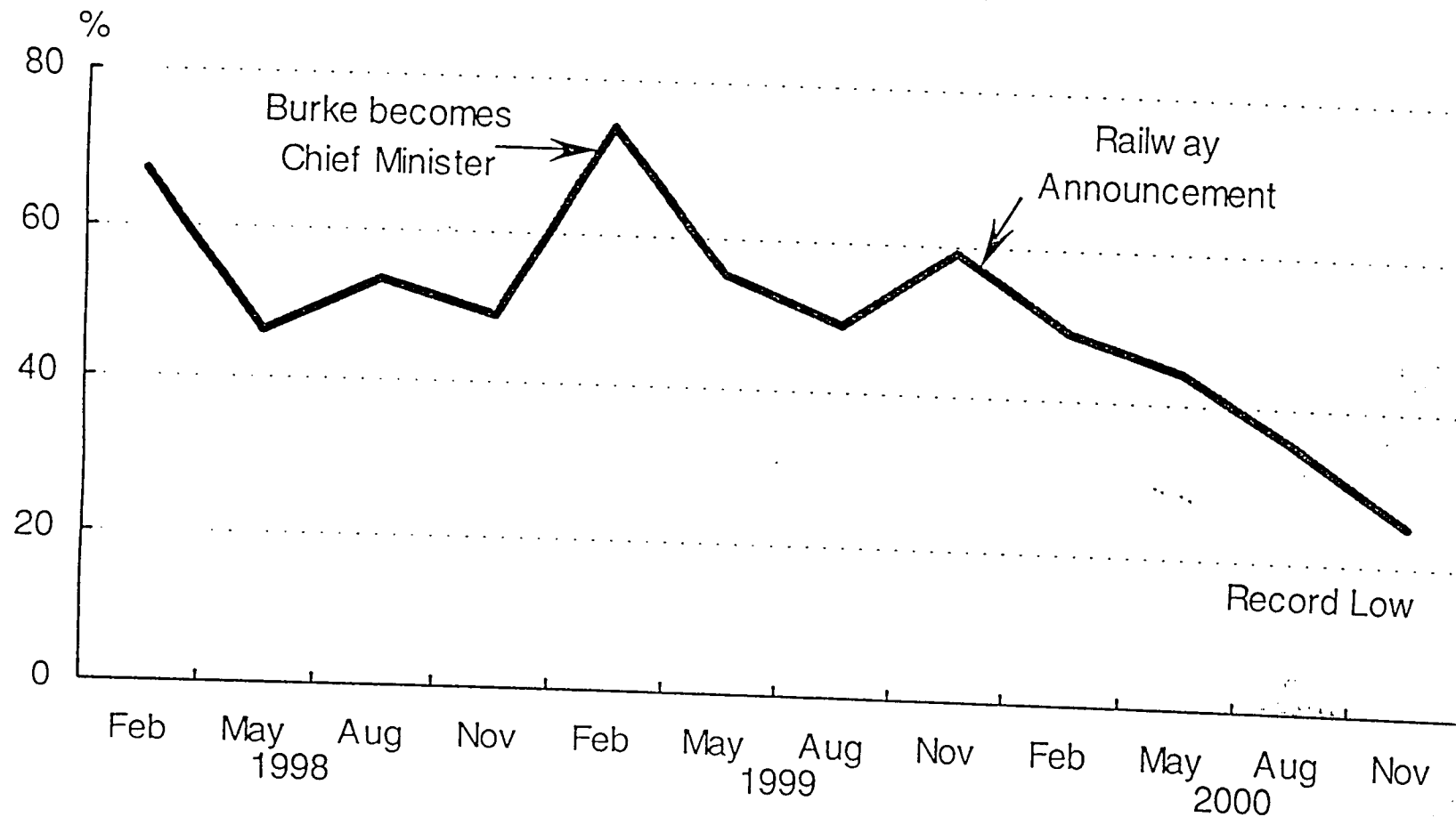
Source: Telstra Small Business Index, November 2000

ORIGINAL PAPER
No. 2257
Laid upon the Table
30/11/00

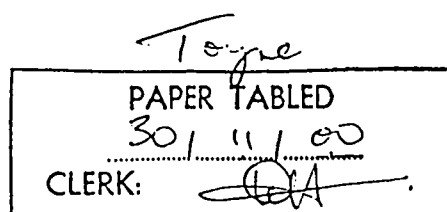
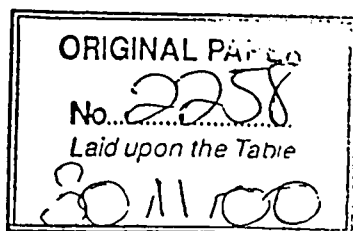
TELSTRA SMALL BUSINESS INDEX

BUSINESS CONFIDENCE

Tom
PAPER TABLED
30/11/00
CLERK: DLA



Source: Telstra Small Business Index, November 2000



FEBRUARY 1999

SMALL
BUSINESS
INDEXTM



Yellow Pages

Introduction

The Yellow Pages® *Small Business Index* is an ongoing series of surveys designed to track confidence and behaviour in the small business sector.

The primary objectives of the Index are to track small business activity over the past three months; expectations over both the current three and 12 month period; and to measure overall confidence within the small business community. A second purpose is to provide an independent, objective assessment of proprietors' experience and attitudes on key issues.

The Index is an initiative of Pacific Access as part of its commitment to this vital business sector and is conducted by the research firm Brian Sweeney and Associates. Economic advice is provided by economic consultants, Marsden Jacob Associates. Dr. John Marsden is the former chief economist of Capel Court, National Mutual Royal Bank and the Australian Bankers Association.

About the Survey

The Index is the most comprehensive regular survey of small business in Australia and focuses specifically on businesses employing 19 people or fewer.

The Index uses a panel of at least 1,200 small business proprietors who are interviewed by telephone every three months.

On occasion, the Index undertakes specialised studies of different issues. As in February 1998 this survey collected data from medium size businesses. These are defined as businesses employing between 20 and 200 employees inclusively. The survey used a panel of 600 medium size businesses for this component of the Index. Data from the medium size sector are reported on Page 10 and are not included in the results for small business elsewhere in the report.

The panel was drawn from all metropolitan and non-metropolitan regions of Australia. Quotas are set on geographical location and type of business to produce the standard sample structure shown opposite. Where replacement panellists are recruited, this sample structure is maintained.

Because this is a quota sample, at the analysis stage results are weighted by selected ANZSIC divisions within the metro and non-metro region of each state or territory to reflect the actual small business population distribution. The ABS Business Register as at June 1996 is used to weight the sample to be representative of the total business population.

Interviewing for this latest (February 1999) survey was conducted over the period 27th January to 10th February 1999. The report covers the experience over the past three months (November and December 1998 and January 1999) and expectations for both the current quarter (February to April 1999) and the 12 months ending February 2000.

Location of Business

	TOTAL	METRO	NON-METRO
NSW	200	160	40
VIC	200	160	40
QLD	200	110	90
SA	150	130	20
WA	150	130	20
TAS	100	60	40
NT	100	60	40
ACT	100	100	—
TOTAL	1200	910	290

Division

MANUFACTURING	215
BUILDING/CONSTRUCTION	215
WHOLESALE/RETAIL	215
TRANSPORT/STORAGE	125
FINANCE/PROPERTY/BUSINESS SERVICES	215
RECREATION/PERSONAL & OTHER SERVICES	215
TOTAL SAMPLE	1200



Small Business Outlook - National Summary

CONFIDENCE IN OWN BUSINESS PROSPECTS OVER THE NEXT 12 MONTHS

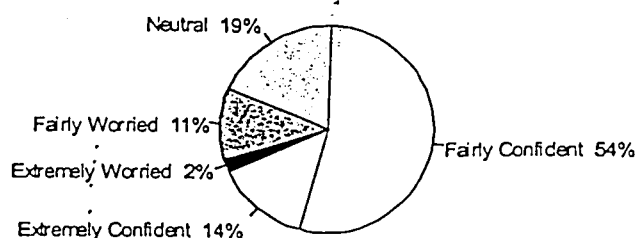
Confidence among Australia's small business proprietors is strong, firming substantially over the three months to February.

New South Wales was the only state to record a fall in confidence. All other states and territories reported increased confidence in their business prospects over the next 12 months with the sharpest rises reported in the Northern Territory and Western Australia. Despite a significant rise, proprietors in Tasmania remained the least confident.

Small business confidence is now highest in the Northern Territory, Western Australia and the ACT.

Confidence firmed in all sectors of small business with the largest rises reported in Transport/Storage, Manufacturing and Wholesale/Retail.

Overall Confidence



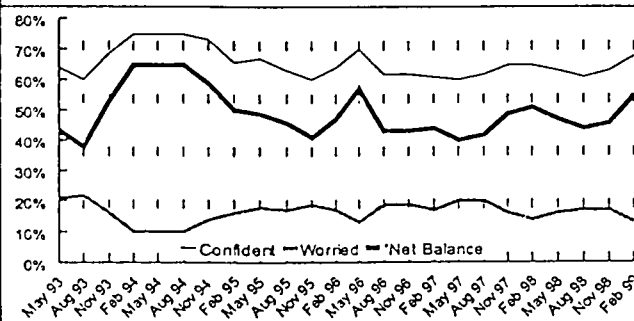
SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Confidence Trends - Past Five Quarters

	Feb 98	May 98	Aug 98	Nov 98	Feb 99
Extremely Confident	10%	10%	10%	11%	14%
Fairly Confident	54%	53%	51%	52%	54%
Neutral	21%	22%	22%	20%	19%
Fairly Worried	12%	12%	14%	14%	11%
Extremely Worried	2%	3%	3%	2%	2%
Total Confident	65%	63%	61%	63%	68%
Total Worried	14%	16%	17%	17%	13%
*NET BALANCE	+51%	+47%	+44%	+46%	+55%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Confidence - Long-term Trends



SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Trends By State *Net Balance

	Feb 98	May 98	Aug 98	Nov 98	Feb 99
NATIONAL	51%	47%	44%	46%	55%
NSW	57%	45%	43%	49%	46%
VIC	45%	52%	40%	44%	60%
QLD	43%	41%	45%	44%	60%
SA	61%	57%	45%	61%	62%
WA	55%	51%	50%	41%	66%
TAS	33%	34%	20%	30%	40%
NT	67%	46%	53%	49%	74%
ACT	45%	43%	40%	56%	66%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Trends By Sector *Net Balance

	Feb 98	May 98	Aug 98	Nov 98	Feb 99
All Businesses	51%	47%	44%	46%	55%
Manufacturing	49%	41%	31%	43%	57%
Building/Construction	51%	51%	44%	60%	64%
Wholesale/Retail	36%	35%	40%	37%	49%
Transport/Storage	62%	35%	33%	35%	50%
Business Services	62%	54%	47%	48%	57%
Personal Services	55%	57%	49%	54%	58%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

PERCEPTIONS OF ECONOMY

Proprietor perceptions of the economy are strongly positive, continuing the rebound from the very pessimistic assessment six months ago. Almost half of proprietors see the economy in a period of growth. Fewer than 5% see the economy as in recession.

Perceptions of the economy are the strongest since the boom of calendar year 1994.

Victorian and ACT proprietors have the most positive assessment of the economy and also reported the largest upswing between the November and February surveys. Perceptions of the economy now are weakest in South Australia and Queensland.

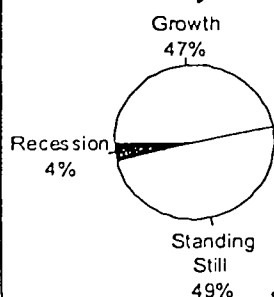
Expectations of an improved economy in 12 months' time also firmed substantially with a net 28% expecting an improvement.

Proprietors in Business Services are the most positive about the economy in the year ahead.

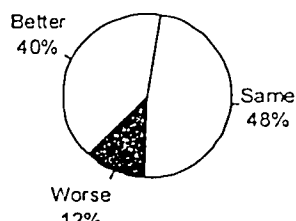
In all states and territories, an increased number of proprietors expect a better economy in 12 months' time.

The Economy

The Economy Now



The Economy a Year from Now



SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Perceptions of the Economy - Trends

	Feb 98	May 98	Aug 98	Nov 98	Feb 99
THE ECONOMY NOW					
Growth	28%	24%	12%	21%	47%
Recession	11%	12%	18%	13%	4%
*Net Balance	17%	12%	-6%	8%	43%
THE ECONOMY A YEAR FROM NOW					
Better	29%	32%	20%	27%	40%
Worse	21%	20%	24%	20%	12%
*Net Balance	8%	12%	-4%	7%	28%

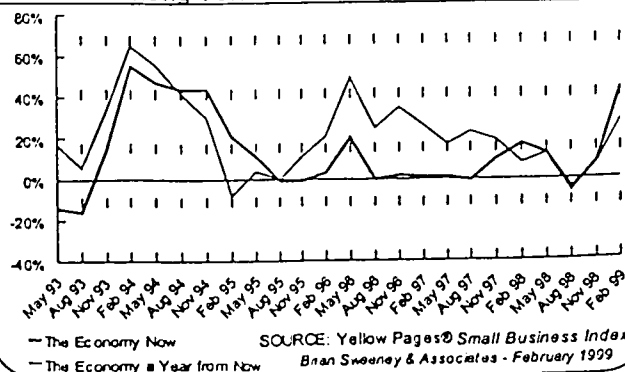
SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Perceptions of the Economy by State

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
THE ECONOMY NOW								
Growth	51%	59%	35%	28%	41%	37%	42%	57%
Recession	3%	1%	7%	5%	9%	2%	2%	4%
*Net Balance	48%	58%	28%	23%	32%	35%	40%	53%
THE ECONOMY A YEAR FROM NOW								
Better	44%	38%	37%	33%	36%	40%	37%	36%
Worse	9%	13%	14%	16%	10%	10%	6%	19%
*Net Balance	35%	25%	23%	17%	26%	30%	31%	17%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Perceptions of The Economy Long Term Trends In *Net Balance



*Net balance is defined as the difference between the percentage with a positive outlook and the percentage with a negative outlook.



EXPECTATIONS ON KEY INDICATORS OVER THE NEXT 12 MONTHS

Expectations for growth over the next 12 months for sales, profits and investment firmed between the November and February surveys.

Expectations for investment growth over the coming 12 months are the highest recorded since May 1995.

Expectations On Key Indicators Over The Next 12 Months

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	64%	8%	56%
Size of workforce	24%	3%	21%
Wages bill	41%	5%	36%
Prices charged	44%	3%	41%
Profitability	63%	9%	54%
Capital expenditure	38%	14%	24%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

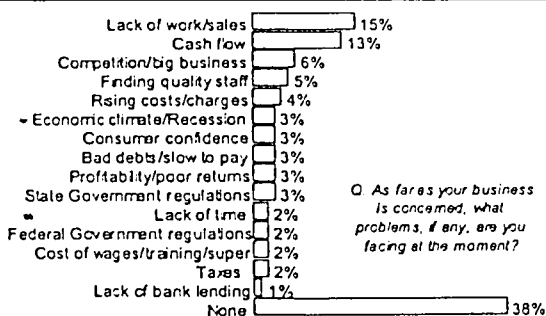
Expectations On Key Indicators Over Next 12 Months - Trends in *Net Balance

	Feb 98	May 98	Aug 98	Nov 98	Feb 99
Value of sales	58%	51%	50%	51%	56%
Size of workforce	22%	19%	18%	22%	21%
Wages bill	38%	32%	34%	38%	36%
Prices charged	42%	42%	43%	42%	41%
Profitability	55%	46%	47%	49%	54%
Capital expenditure	19%	18%	18%	21%	24%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

CONCERNS

Prime Concerns



SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Lack of work/sales - the dominant concern of small businesses - was identified as a problem by only 15% of proprietors surveyed in February. This is the lowest number since the boom of 1994.

The proportion of small businesses reporting no problems jumped from 28% three months ago to 38% now, the highest since 1993.

*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.

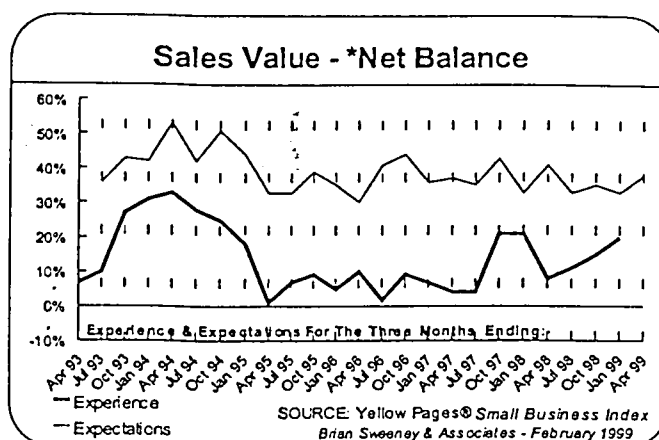
SALES

Sales growth strengthened for the third successive quarter. A net 20% of small businesses reported sales growth, compared with only 11% six months ago.

Nonetheless, sales fell in the Northern Territory and lower sales growth was reported by proprietors in NSW and the ACT.

Nationally, expected sales growth in the current three months (February-April) strengthened.

Sales expectations strengthened in all sectors except Transport/Storage and Personal Services.



EMPLOYMENT

Jobs growth was reported for the second successive quarter. Although at a slightly reduced rate compared with the previous quarter, this growth follows almost two years of negligible jobs growth in the small business sector.

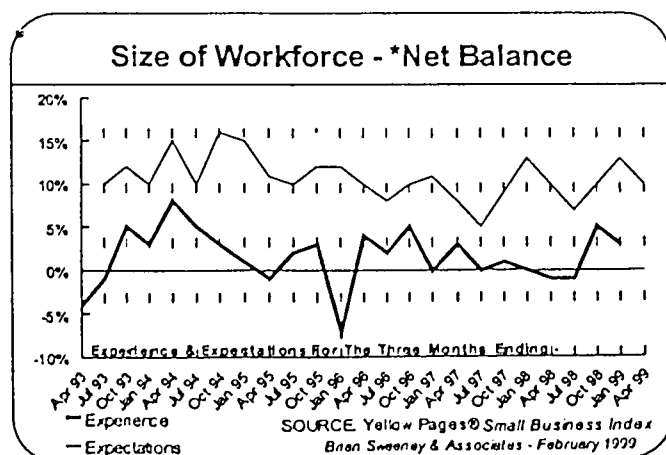
Small business jobs growth over the past three months was strongest in Queensland and South Australia.

Expected employment growth in the current three months eased slightly since the previous survey.

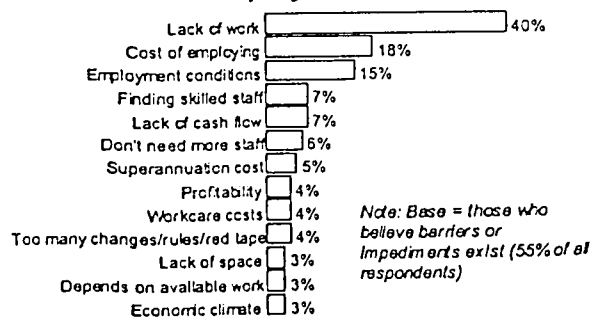
The proportion of proprietors who believed there are barriers or impediments to employing fell from 66% in November 1998 to 55% in February 1999.

The major impediment for these proprietors is "lack of work" (40%), the same proportion as in the previous quarter. Some 18% believe the cost of employment was preventing them from taking on new staff.

Employment conditions (including unfair dismissal) were mentioned by 15% of those believing barriers to exist - about 8% of the total population.



What are the Barriers to Taking on New Employees?

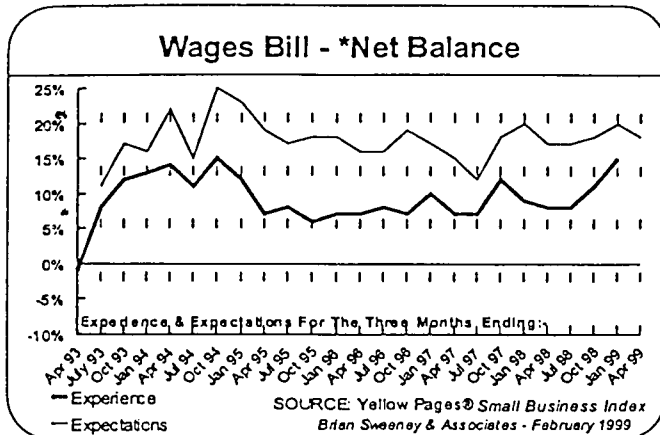


SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.



WAGES BILL

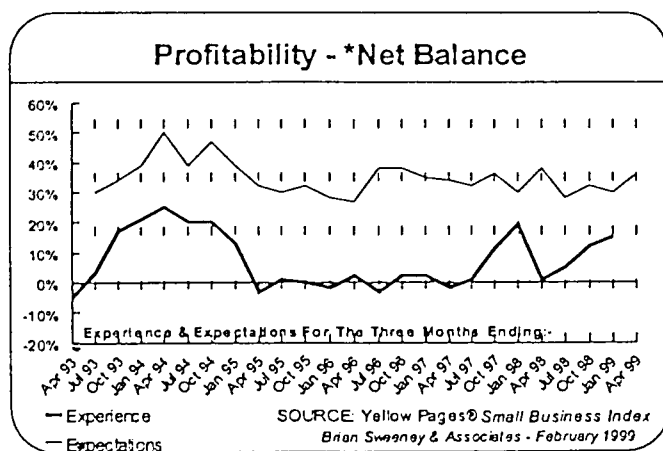


Growth in wages bill was reported by an increased proportion of small business proprietors, the highest level since the November 1994 survey

Reported wages bill growth in the recent quarter was strongest in small businesses in Transport/Storage and Wholesale/Retail.

Nationally, expected growth in wage bills declined slightly but is strongest in the Northern Territory and Building/Construction and weakest in Tasmania.

PROFITABILITY & CAPITAL EXPENDITURE

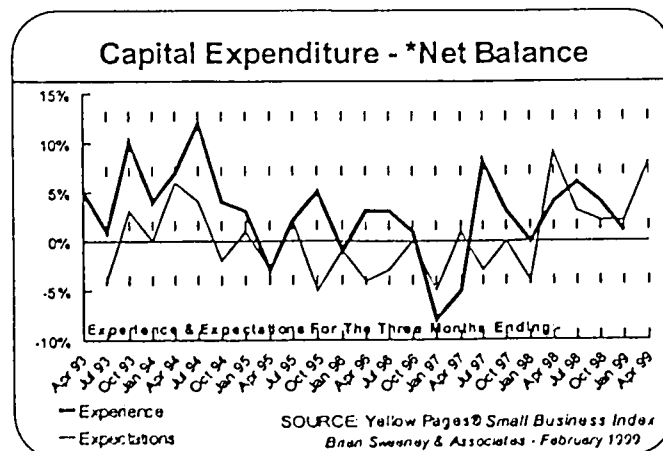


Profit growth reported by small businesses increased for the third successive quarter — a result directly in line with the increase in sales growth.

Nonetheless, investment growth eased, possibly reflecting seasonal factors.

Expected profit growth and investment growth for the current quarter have firmed.

Proprietors in the Northern Territory report the biggest upturn in expected growth for both profit and investment.



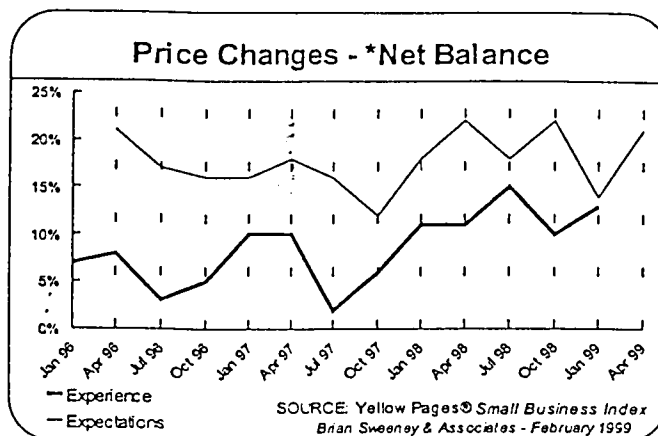
*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.



PRICES

The proportion of proprietors who increased prices rose slightly to a net 13%.

Increased growth in prices is expected in the current quarter (February-April).



ASSESSMENT OF FEDERAL POLICIES

Consistent with their very positive assessment of the economy, more small business proprietors now see Federal policies as supportive of small business than see them as working against it.

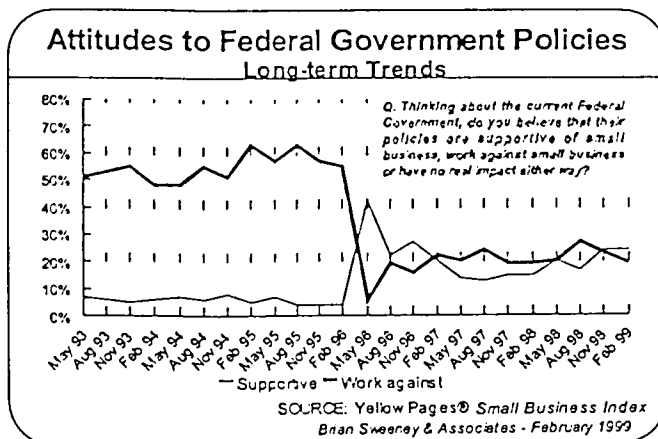
A net 5% of small businesses now see Federal policies as supportive, contrasting with the net 10% who saw the Government's policies as working against small business six months ago.

The main reasons for believing the government's policies to be supported include:

- introducing a GST (28%);
- unfair dismissal changes (18%);
- tax reform (12%);
- getting economy moving (12%);
- better awareness of needs (11%);
- creating employment/training schemes (8%); and
- reducing interest rates (8%).

Reasons for a negative view include:

- GST will make it harder (30%);
- too much bureaucracy (19%);
- only concerned with big business (16%);
- no incentives offered (13%); and
- too much paperwork (12%).



Attitudes to Federal Government Policies

	Nov 97	Feb 98	May 98	Aug 98	Nov 98	Feb 99
Supportive	15%	15%	20%	17%	24%	24%
Work against	19%	19%	20%	27%	23%	19%
No impact	66%	66%	60%	56%	53%	57%
*Net Balance	-4%	-4%	0%	-10%	1%	5%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.



ASSESSMENT OF STATE OR TERRITORY GOVERNMENT POLICIES

Attitudes to State or Territory Government Policies - February 1999

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Supportive	8%	40%	22%	10%	13%	12%	55%	21%
Working against	25%	10%	14%	20%	20%	22%	7%	25%
No impact	67%	50%	64%	70%	67%	66%	38%	54%
*Net Balance	-17%	30%	8%	-10%	-7%	-10%	48%	-4%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Small business is strongly supportive of the Northern Territory and Victorian Governments, with a net 48% and 30% of proprietors, respectively, seeing their policies as supportive of small business. Small business is also, on balance, in favour of the new Queensland Labor Government.

In all other states and the ACT small business proprietors see their government's policies, on balance, as working against small business.

Attitudes to State or Territory Government Policies - Trends in *Net Balance

	Feb 98	May 98	Aug 98	Nov 98	Feb 99
NSW	-26%	-26%	-24%	-17%	-17%
VIC	18%	15%	28%	22%	30%
QLD	10%	5%	-5%	5%	8%
SA	4%	-5%	-12%	-5%	-10%
WA	3%	-17%	-8%	-10%	-7%
TAS	-13%	-21%	-19%	2%	-10%
NT	54%	35%	43%	46%	48%
ACT	8%	19%	12%	-2%	-4%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.



VOTING INTENTIONS IN VICTORIA AND NSW

The New South Wales election will be held at the end of March with the Victorian state election required to be held before May 2000. Proprietors in these two states were asked:

- which party they intended to vote for in the lower house; and
- which party they had voted for at the last state election.

In New South Wales, results suggest that around 73% (when we distribute the non response) expect to vote for the Coalition. This is more or less in line with the last state election behaviour - although support for the National Party has waned to some degree.

In Victoria, 79% (again when the non response is distributed) expect to vote for the Coalition - marginally up on the last election figure.

A comparison of the full response voting intentions between the two states reveals the following:

- despite the immediacy of the New South Wales election, some 29% of proprietors do not yet know who they will vote for on 27 March. In contrast, for the more distant Victorian election, only 20% are undecided;
- possibly reflecting this, less and than half of small business proprietors in NSW are currently sure they would vote for the Liberal Party compared with almost 60% of Victorian small business proprietors; and
- the minor parties appear to be more strongly supported in NSW than in Victoria.

Voting Trends NSW

	Full Responses		Excluding Don't Know/Refused	
	Last Election	Next Election	Last Election	Next Election
Liberal	53%	46%	65%	68%
National	6%	4%	7%	5%
ALP	17%	11%	20%	16%
Democrat	5%	4%	6%	5%
One Nation	1%	1%	1%	1%
Other	1%	2%	1%	3%
Undecided	14%	29%		
Refused	3%	3%		
Did not vote	1%			

SOURCE: Yellow Pages Small Business Index
Brian Sweeney & Associates - February 1999

Voting Trends Victoria

	Full Responses		Excluding Don't Know/Refused	
	Last Election	Next Election	Last Election	Next Election
Liberal	65%	58%	75%	79%
National	0%	0%	0%	0%
ALP	15%	12%	18%	16%
Democrat	4%	2%	5%	2%
Greens	1%	1%	1%	1%
One Nation	1%	—	1%	0%
Other	1%	1%	1%	1%
Undecided	4%	20%		
Refused	7%	5%		

SOURCE: Yellow Pages Small Business Index
Brian Sweeney & Associates - February 1999



A COMPARISON WITH MEDIUM-SIZED BUSINESS

As in February 1998, this Index examined the views of medium-sized business proprietors - those employing between 20 and 200 employees. While medium businesses will not be included in the Index on an ongoing basis, an occasional examination of the segment is useful. The results for medium businesses are based on some 600 interviews across Australia.

Medium businesses proprietors reported similar strong sales growth levels similar to their smaller business counterparts but stronger jobs growth. A net 12% of medium businesses took on more staff over the past three months compared with a net 3% for small business. The stronger jobs growth in medium businesses is consistent with the greater confidence about their own business prospects. A net 65% of medium businesses are confident about prospects for the next 12 months compared with 55% of small business proprietors.

Further, 15% of medium businesses are aspiring to "significant growth" - twice the proportion of small business.

Over one-third of small and medium businesses (each 38%) did not cite any concerns with their current business operations. Where concerns were cited small businesses were more concerned with lack of work and cash flow, whereas medium businesses were more concerned about competition and finding quality staff.

Support for Federal policies is also stronger among medium business. One-third of medium businesses consider that these policies are supportive - compared with 24% of small businesses. Around one-fifth of both medium (22%) and small (19%) businesses believe that the policies are working against small or medium business.

Medium businesses are more likely to cite tax reform as a reason for viewing the government positively (19% vs. 12%) and are less likely than small businesses to believe that the GST is a reason for viewing the government negatively (19% vs. 30%).

Key Indicator Comparisons Net Balance for February 1999

	Small Business	Medium Business
Overall Confidence:		
Total Confident	68%	74%
Total Worried	13%	9%
*Net Balance	55%	65%
Experience for Past 3 Months:		
Value of sales	20%	22%
Size of workforce	3%	12%
Expectations for Next 3 Months:		
Value of sales	38%	41%
Size of workforce	10%	16%
Expectations for Next 12 Months:		
Value of sales	56%	60%
Size of workforce	21%	32%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Key Indicator Comparisons Trend in Net Balance for February 1998 and 1999

	Medium Business 1998	Medium Business 1999
Overall Confidence:		
Total Confident	73%	74%
Total Worried	12%	9%
*Net Balance	61%	65%
Experience for Past 3 Months:		
Value of sales	21%	22%
Size of workforce	9%	12%
Expectations for Next 3 Months:		
Value of sales	38%	41%
Size of workforce	13%	16%
Expectations for Next 12 Months:		
Value of sales	54%	60%
Size of workforce	26%	32%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999

Prime Concerns (Unprompted) February 1999

	Small Business	Medium Business
Finding quality staff	5%	11%
Competition	6%	10%
Lack of work	15%	9%
Cash flow	13%	5%
Too many imports	-	4%
None	38%	38%

SOURCE: Yellow Pages® Small Business Index
Brian Sweeney & Associates - February 1999



Small Business Outlook - National

- Sharp rise in confidence
- Sales and profit growth strong and firmer with expectations also up
- Jobs growth for second successive quarter
- Concerns at lowest level since 1993
- Rise in approval of Federal Government policies

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NATIONAL

SOURCE: Yellow Pages®
Small Business Index

		FEB 1998	MAY 1998	AUG 1998	NOV 1998	FEB 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE	65	63	61	63	68
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	14	16	17	17	13
	NET BALANCE	+51	+47	+44	+46	+55

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	45	38	39	39	41	52	44	45	46	48
	DECREASE	24	30	28	24	21	11	11	10	13	10
	NET BALANCE	+21	+8	+11	+15	+20	+41	+33	+35	+33	+38
SIZE OF WORKFORCE:	INCREASE	11	11	12	15	12	13	11	13	16	13
	DECREASE	11	12	13	10	9	3	4	3	3	3
	NET BALANCE	0	-1	-1	+5	+3	+10	+7	+10	+13	+10
WAGES BILL:	INCREASE	22	21	21	22	24	23	23	23	25	23
	DECREASE	13	13	13	11	9	6	6	5	5	5
	NET BALANCE	+9	+8	+8	+11	+15	+17	+17	+18	+20	+18
PRICES:	INCREASE	18	20	20	18	19	26	21	25	17	24
	DECREASE	7	9	5	8	6	4	3	3	3	3
	NET BALANCE	+11	+11	+15	+10	+13	+22	+18	+22	+14	+21
PROFITABILITY:	INCREASE	40	32	34	37	37	49	42	42	44	46
	DECREASE	21	31	29	25	22	11	14	10	14	10
	NET BALANCE	+19	+1	+5	+12	+15	+38	+28	+32	+30	+36
CAPITAL EXPENDITURE:	INCREASE	20	23	25	24	21	26	24	21	24	25
	DECREASE	20	19	19	20	20	17	21	19	22	17
	NET BALANCE	0	+4	+6	+4	+1	+9	+3	+2	+2	+8

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.



Small Business Outlook - NSW

- Confidence in own prospects fell
- Sales and profit growth eased
- Sales and profit expectations slightly firmer
- Job growth fell after showing growth last quarter

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NSW

SOURCE: Yellow Pages®
Small Business Index

		FEB 1998	MAY 1998	AUG 1998	NOV 1998	FEB 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	71	61	61	64	64
	NEGATIVE	14	16	18	15	18
	NET BALANCE	+57	+45	+43	+49	+46
		ACTUAL EXPERIENCE DURING:				
		NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99
		%	%	%	%	%
SALES VALUE:	INCREASE	46	36	40	41	38
	DECREASE	22	27	28	20	22
	NET BALANCE	+24	+9	+12	+21	+16
SIZE OF WORKFORCE:	INCREASE	8	10	13	19	11
	DECREASE	11	12	15	10	12
	NET BALANCE	-3	-2	-2	+9	-1
WAGES BILL:	INCREASE	23	22	21	24	27
	DECREASE	13	13	12	11	13
	NET BALANCE	+10	+9	+9	+13	+14
PRICES:	INCREASE	20	22	16	21	22
	DECREASE	5	5	4	7	4
	NET BALANCE	+15	+17	+12	+14	+18
PROFITABILITY:	INCREASE	41	30	34	39	35
	DECREASE	18	28	29	21	23
	NET BALANCE	+23	+2	+5	+18	+12
CAPITAL EXPENDITURE:	INCREASE	24	28	25	24	20
	DECREASE	19	19	21	19	22
	NET BALANCE	+5	+9	+4	+5	-2
		EXPECTATIONS FOR:				
		FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999
		%	%	%	%	%
SALES VALUE:	INCREASE	62	45	46	49	47
	DECREASE	9	7	8	12	8
	NET BALANCE	+53	+38	+38	+37	+39
SIZE OF WORKFORCE:	INCREASE	11	14	14	18	14
	DECREASE	4	4	4	2	4
	NET BALANCE	+7	+10	+10	+16	+10
WAGES BILL:	INCREASE	24	26	25	25	23
	DECREASE	8	5	5	5	6
	NET BALANCE	+16	+21	+20	+20	+17
PRICES:	INCREASE	24	25	24	15	24
	DECREASE	3	4	4	3	3
	NET BALANCE	+21	+21	+20	+12	+21
PROFITABILITY:	INCREASE	60	44	44	47	48
	DECREASE	8	13	7	12	7
	NET BALANCE	+52	+31	+37	+35	+41
CAPITAL EXPENDITURE:	INCREASE	26	24	23	24	23
	DECREASE	17	20	15	22	18
	NET BALANCE	+9	+4	+8	+2	+5

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.



Small Business Outlook - Victoria

- Sharp rise in confidence
- Sales and profit growth lift; expectations stable
- Jobs growth positive but eased; expectations remain high
- Support for Kennett Government policies highest since May 1996

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - VICTORIA

SOURCE: Yellow Pages®
Small Business Index

		FEB 1998	MAY 1998	AUG 1998	NOV 1998	FEB 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE	59	65	58	62	70
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	14	13	18	18	10
	NET BALANCE	+45	+52	+40	+44	+60

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	46	40	43	39	42	49	41	45	44	48
	DECREASE	22	34	29	25	21	13	14	14	12	14
	NET BALANCE	+24	+6	+14	+14	+21	+36	+27	+31	+32	+34
SIZE OF WORKFORCE:	INCREASE	12	10	12	13	11	19	8	12	15	14
	DECREASE	10	10	14	8	8	1	5	2	4	2
	NET BALANCE	+2	0	-2	+5	+3	+18	+3	+10	+11	+12
WAGES BILL:	INCREASE	22	22	24	20	27	25	21	21	25	22
	DECREASE	8	12	12	10	7	5	7	6	7	4
	NET BALANCE	+14	+10	+12	+10	+20	+20	+14	+15	+18	+18
PRICES:	INCREASE	16	19	24	15	15	27	18	27	18	22
	DECREASE	8	13	4	9	6	4	1	2	4	2
	NET BALANCE	+8	+6	+20	+6	+9	+23	+17	+25	+14	+20
PROFITABILITY:	INCREASE	42	36	37	37	40	47	41	44	42	44
	DECREASE	20	34	29	28	21	15	17	11	14	14
	NET BALANCE	+22	+2	+8	+9	+19	+32	+24	+33	+28	+30
CAPITAL EXPENDITURE:	INCREASE	17	23	25	24	24	25	25	22	26	26
	DECREASE	19	16	15	19	20	17	18	18	21	20
	NET BALANCE	-2	+7	+10	+5	+4	+8	+7	+4	+5	+6

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.



Small Business Outlook - Queensland

- Sharp rise in confidence
- Sales, job and profit growth sharply up; expectations stronger
- Sharp rise in job growth; expectations lower
- Investment growth slowed in past quarter but expectations rebound

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - QUEENSLAND

SOURCE: Yellow Pages®
Small Business Index

		<u>FEB 1998</u>	<u>MAY 1998</u>	<u>AUG 1998</u>	<u>NOV 1998</u>	<u>FEB 1999</u>
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	59	62	62	62	70
	NEGATIVE	16	21	17	18	10
	NET BALANCE	+43	+41	+45	+44	+60

		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	45	40	40	40	45	48	51	46	45	48
	DECREASE	27	28	21	22	18	14	10	8	13	9
	NET BALANCE	+18	+12	+19	+18	+27	+34	+41	+38	+32	+39
SIZE OF WORKFORCE:	INCREASE	14	14	10	12	15	12	11	12	15	12
	DECREASE	12	15	11	12	5	5	2	5	2	2
	NET BALANCE	+2	-1	-1	0	+10	+7	+9	+7	+13	+10
WAGES BILL:	INCREASE	22	23	18	24	23	23	21	22	27	28
	DECREASE	20	18	14	10	4	7	4	6	3	4
	NET BALANCE	+2	+5	+4	+14	+19	+16	+17	+16	+24	+24
PRICES:	INCREASE	19	17	18	14	17	27	17	19	15	24
	DECREASE	11	11	7	7	8	5	2	2	2	1
	NET BALANCE	+8	+6	+11	+7	+9	+22	+15	+17	+13	+23
PROFITABILITY:	INCREASE	40	34	33	38	38	45	43	40	44	47
	DECREASE	24	29	25	27	19	14	13	10	19	10
	NET BALANCE	+16	+5	+8	+11	+19	+31	+30	+30	+25	+37
CAPITAL EXPENDITURE:	INCREASE	19	18	28	29	20	28	24	22	18	27
	DECREASE	24	20	18	21	20	20	24	22	25	14
	NET BALANCE	-5	-2	+10	+8	0	+8	0	0	-7	+13

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.



Small Business Outlook - SA

- Confidence in own prospects high and stable
- Growth in sales, jobs and profits stronger
- Sales and profit expectations weaker
- Capital expenditure firmed but expected to weaken

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - SA

SOURCE: Yellow Pages®
Small Business Index

		FEB 1998	MAY 1998	AUG 1998	NOV 1998	FEB 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	71	67	66	72	69
	NEGATIVE	11	6	9	11	7
	NET BALANCE	+60	+61	+57	+61	+62

ACTUAL EXPERIENCE DURING:						EXPECTATIONS FOR:				
		NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99
		%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	39	36	30	41	45	45	40	43	44
	DECREASE	23	27	29	22	18	7	12	7	6
	NET BALANCE	+16	+9	+1	+19	+27	+38	+28	+36	+38
SIZE OF WORKFORCE:	INCREASE	14	10	11	17	14	11	11	11	16
	DECREASE	8	14	6	13	5	1	3	2	3
	NET BALANCE	+6	-4	+5	+4	+9	+10	+8	+9	+13
WAGES BILL:	INCREASE	25	20	21	22	14	19	16	21	25
	DECREASE	12	11	10	8	11	3	7	6	5
	NET BALANCE	+13	+9	+11	+14	+3	+16	+9	+15	+20
PRICES:	INCREASE	19	23	26	23	24	26	20	33	19
	DECREASE	6	9	5	7	5	2	2	3	1
	NET BALANCE	+13	+14	+21	+16	+19	+24	+18	+30	+18
PROFITABILITY:	INCREASE	33	28	27	35	39	45	35	43	44
	DECREASE	23	28	33	23	20	9	13	7	8
	NET BALANCE	+13	0	-6	+12	+19	+36	+22	+36	+36
CAPITAL EXPENDITURE:	INCREASE	18	18	22	18	20	25	23	11	28
	DECREASE	15	22	15	20	19	16	22	16	21
	NET BALANCE	+3	-4	+7	-2	+1	+9	+1	-5	+7

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.



Small Business Outlook - WA

- Sharp rebound in confidence to highest across states (only Northern Territory is higher)
- Sales growth sharply up; profits firmer
- Employment growth stable
- Expected growth in sales, profits and capital expenditure sharply higher
- Court Government policies continue to be negatively assessed

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - WA

SOURCE: Yellow Pages®
Small Business Index

		FEB 1998	MAY 1998	AUG 1998	NOV 1998	FEB 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	69	66	66	60	75
	NEGATIVE	14	15	16	19	9
	NET BALANCE	+55	+51	+50	+41	+66

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	39	32	32	33	44	41	40	41	40	49
	DECREASE	28	41	38	31	29	7	16	13	21	11
	NET BALANCE	+11	-9	-6	+2	+15	+34	+24	+28	+19	+38
SIZE OF WORKFORCE:	INCREASE	12	13	10	12	13	10	8	12	14	10
	DECREASE	12	10	15	10	11	2	5	1	4	4
	NET BALANCE	0	+3	-5	+2	+2	+8	+3	+11	+10	+6
WAGES BILL:	INCREASE	14	15	17	17	17	17	21	21	16	21
	DECREASE	11	13	21	13	9	5	9	3	8	6
	NET BALANCE	+3	+2	-4	+4	+8	+12	+12	+18	+8	+15
PRICES:	INCREASE	16	20	25	18	20	34	19	26	26	24
	DECREASE	8	8	2	8	7	2	9	3	1	3
	NET BALANCE	+8	+12	+23	+10	+13	+32	+10	+23	+25	+21
PROFITABILITY:	INCREASE	37	34	31	31	33	30	39	34	40	45
	DECREASE	25	40	37	29	25	11	15	14	19	9
	NET BALANCE	+12	-6	-6	+2	+8	+19	+24	+20	+21	+36
CAPITAL EXPENDITURE:	INCREASE	15	21	26	22	19	20	19	17	20	22
	DECREASE	20	25	22	24	17	9	26	26	25	16
	NET BALANCE	-5	-4	+4	-2	+2	+11	-7	-9	-5	+6

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.



Small Business Outlook - Tasmania

- Rise in confidence - highest since May 1996
- Very strong turnaround in sales and profit growth
- Expectations for current quarter weaker but sales predictions for next 12 months strongest since 1995

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - TASMANIA

SOURCE: Yellow Pages®
Small Business Index

		FEB 1998	MAY 1998	AUG 1998	NOV 1998	FEB 1999
		%	%	%	%	%
CONFIDENCE IN OWN BUSINESS	POSITIVE	51	53	44	48	51
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	18	19	24	18	11
	NET BALANCE	+33	+34	+20	+30	+40

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	43	33	24	25	37	35	26	31	62	38
	DECREASE	24	30	35	42	20	6	16	10	4	7
	NET BALANCE	+19	+3	-11	-17	+17	+29	+10	+21	+58	+31
SIZE OF WORKFORCE:	INCREASE	13	5	11	16	10	5	12	4	10	4
	DECREASE	9	12	10	14	12	4	4	6	1	2
	NET BALANCE	+4	-7	+1	+2	-2	+1	+8	-2	+9	+2
WAGES BILL:	INCREASE	18	21	20	17	15	16	22	17	24	9
	DECREASE	8	10	13	17	8	8	11	6	2	5
	NET BALANCE	+10	+11	+7	0	+7	+8	+11	+11	+22	+4
PRICES:	INCREASE	25	23	31	29	18	28	16	31	24	14
	DECREASE	8	6	4	11	11	3	4	0	3	4
	NET BALANCE	+17	+17	+27	+18	+7	+25	+12	+31	+21	+10
PROFITABILITY:	INCREASE	42	31	21	23	31	36	22	31	54	35
	DECREASE	30	27	29	38	21	5	18	10	4	7
	NET BALANCE	+12	+4	-8	-15	+10	+31	+4	+21	+50	+28
CAPITAL EXPENDITURE:	INCREASE	24	18	18	22	15	23	14	11	26	20
	DECREASE	17	21	25	24	22	14	35	25	14	20
	NET BALANCE	+7	-3	-7	-2	-7	+9	-21	-14	+12	0

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.



Small Business Outlook - NT

- Sharp rebound in confidence to highest level of all states and territories
- Sales, job and capital expenditure growth negative
- Expectations for sales in current three months strongest since August 1995

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NT

SOURCE: Yellow Pages®
Small Business Index

				<u>FEB 1998</u>	<u>MAY 1998</u>	<u>AUG 1998</u>	<u>NOV 1998</u>	<u>FEB 1999</u>			
				%	%	%	%	%			
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE			80	62	65	68	82			
	NEGATIVE			13	16	12	19	8			
	NET BALANCE			+67	+46	+53	+49	+74			
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	33	39	56	39	30	67	61	48	26	75
	DECREASE	39	35	12	32	33	5	4	6	30	2
	NET BALANCE	-6	+4	+44	+7	-3	+62	+57	+42	-4	+73
SIZE OF WORKFORCE:	INCREASE	19	24	24	15	11	33	25	12	13	32
	DECREASE	11	17	14	25	14	3	4	5	8	2
	NET BALANCE	+8	+7	+10	-10	-3	+30	+21	+7	+5	+30
WAGES BILL:	INCREASE	21	30	35	22	15	44	34	22	17	38
	DECREASE	23	18	10	17	16	6	7	7	14	3
	NET BALANCE	-2	+12	+25	+5	-1	+38	+27	+15	+3	+35
PRICES :	INCREASE	17	20	26	20	20	22	28	27	17	22
	DECREASE	9	12	7	8	6	2	2	2	2	0
	NET BALANCE	+8	+8	+19	+12	+14	+20	+26	+25	+15	+22
PROFITABILITY:	INCREASE	34	36	48	37	24	58	57	48	34	66
	DECREASE	37	34	12	30	24	5	4	11	28	3
	NET BALANCE	-3	+2	+36	+7	0	+53	+53	+37	+6	+63
CAPITAL EXPENDITURE:	INCREASE	33	27	34	25	21	31	34	26	18	31
	DECREASE	23	26	18	24	24	20	29	19	28	19
	NET BALANCE	+10	+1	+16	+1	-3	+11	+5	+7	-10	+12

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.



Small Business Outlook - ACT

- Confidence in own business prospects strengthened
- Sales, job and investment growth weakened over Summer
- Expected sales and capital expenditure strengthened
- Expected sales strengthened
- Job expectations positive, but eased

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - ACT

SOURCE: Yellow Pages®
Small Business Index

		<u>FEB 1998</u>	<u>MAY 1998</u>	<u>AUG 1998</u>	<u>NOV 1998</u>	<u>FEB 1999</u>					
		%	%	%	%	%					
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	60	64	61	70	76					
	NEGATIVE	15	21	21	14	10					
	NET BALANCE	+45	+43	+40	+56	+66					
		<u>ACTUAL EXPERIENCE DURING:</u>					<u>EXPECTATIONS FOR:</u>				
		NOV-JAN 97/98	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1998	MAY-JUL 1998	AUG-OCT 1998	NOV-JAN 98/99	FEB-APR 1999
		%	%	%	%	%	%	%	%	%	%
SALES VALUE:	INCREASE	46	46	49	56	50	49	50	45	43	50
	DECREASE	19	26	21	15	14	5	8	10	18	13
	NET BALANCE	+27	+20	+28	+41	+36	+44	+42	+35	+25	+37
SIZE OF WORKFORCE:	INCREASE	12	18	10	21	7	15	8	11	18	13
	DECREASE	13	7	13	7	8	5	3	4	3	5
	NET BALANCE	-1	+11	-3	+14	-1	+10	+5	+7	+15	+8
WAGES BILL:	INCREASE	32	19	26	29	18	25	21	25	20	22
	DECREASE	11	7	13	5	11	4	7	5	5	6
	NET BALANCE	+21	+12	+13	+24	+7	+21	+14	+20	+15	+16
PRICES:	INCREASE	13	12	15	18	13	19	10	20	11	19
	DECREASE	5	8	7	5	7	4	2	3	2	1
	NET BALANCE	+8	+4	+8	+13	+6	+15	+8	+17	+9	+18
PROFITABILITY:	INCREASE	38	36	45	48	49	46	39	41	47	45
	DECREASE	20	21	20	16	11	8	11	9	15	11
	NET BALANCE	+18	+15	+25	+32	+38	+38	+28	+32	+32	+34
CAPITAL EXPENDITURE:	INCREASE	29	20	26	28	17	25	25	36	28	30
	DECREASE	15	19	17	19	23	21	20	20	21	9
	NET BALANCE	+14	+1	+9	+9	-6	+4	+5	+16	+7	+21

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.



YELLOW PAGES® *SMALL BUSINESS INDEX* "SPECIAL REPORTS"

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THE IMPACT OF THE DROUGHT ON RURAL SMALL BUSINESS - NOVEMBER 1994

SMALL BUSINESS GROWTH ASPIRATIONS AND THE ROLE OF EXPORTS - FEBRUARY 1995

FINANCE & BANKING ISSUES - AUGUST 1995

ATTITUDES TO GOVERNMENT - OCTOBER 1994 & NOVEMBER 1995

WOMEN IN BUSINESS - JULY 1994 & FEBRUARY 1996

THE PAPERWORK BURDEN ON SMALL BUSINESS - OCTOBER 1996

TECHNOLOGY IN THE SMALL BUSINESS SECTOR - JULY 1995, JULY 1996, AUGUST 1997

ELECTRONIC COMMERCE - APRIL 1998

WORKERS COMPENSATION & WORKPLACE SAFETY - NOVEMBER 1998

Other special topics investigated include NSW Bushfires, the Sydney Olympics, Exports, Industrial Relations, Australian Made and other Credential Advertising, and Employment Skills and Training.

For further information on these reports, please contact: Pacific Access
Corporate Communications Department
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Telstra Small Business Survey

Nov-97

Feb-98

May-98

Aug-98

Nov-98

Confidence over next 12 mths

Positive	80	62	65	68
Negative	13	16	12	19
Net	67	46	53	49

Perceptions of Economy

Now
Growth
Recession
Net
A year from Now
Growth
Recession
Net

ORIGINAL PAPER

No. 2259

Laid upon the Table

30/11/00

PAPER TABLED

30/11/00

CLERK:

D/A

Attitudes to Government

Supportive
Work Against
No impact
Net

54 35 43 46

*Actual Experience qtr beginning:**Sales Value*

Increase	33	39	56	39	30
Decrease	39	35	12	32	33
Net	-6	4	44	7	-3

Workforce

Increase	19	24	24	15	11
Decrease	11	17	14	25	14
Net	8	7	10	-10	-3

Wages Bill

Increase	21	30	35	22	15
Decrease	23	18	10	17	16
Net	-2	12	25	5	-1

Prices

Increase	17	20	26	20	20
Decrease	9	12	7	8	6
Net	8	8	19	12	14

Profitability

Increase	34	36	48	37	24
Decrease	37	34	12	30	24
Net	-3	2	36	7	0

Feb-99	May-99	Aug-99	Nov-99	Feb-00	May-00	Aug-00	Nov-00
82	64	67	71	67	60	55	49
8	9	18	12	18	16	20	24
74	55	49	59	49	44	35	25
42	40	35	47	48	22	27	19
2	4	1	2	5	18	16	38
40	36	34	45	43	4	11	-19
37	26	36	37	24	31	38	26
6	16	18	10	21	32	14	23
31	10	18	27	3	-1	24	3
55		57	56	62	54	48	34
7		13	8	15	6	8	17
38		30	36	24	40	44	49
48	51	44	48	47	48	40	17
38	35	55	39	37	40	33	
40	29	23	26	41	42	45	
-2	6	32	13	-4	-2	-12	
20	11	12	12	9	15	8	
13	17	16	23	9	9	14	
7	-6	-4	-11	0	6	-6	
19	19	36	24	18	31	23	
16	19	13	15	22	22	19	
3	0	23	9	-4	9	4	
16	12	20	14	24	40	32	
5	8	8	2	9	10	8	
11	4	12	12	15	30	24	
37	35	46	30	27	33	23	
31	29	21	27	41	38	52	
6	6	25	3	-14	-5	-29	

Telstra Small Business Survey

	Nov-97	Feb-98	May-98	Aug-98	Nov-98
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Capital Expenditure

Increase	33	27	34	25	21
Decrease	23	26	18	24	24
Net	10	1	16	1	-3

*Expectations for Qtr beginning:**Sales Value*

Increase		67	61	48	26
Decrease		5	4	6	30
Net		62	57	42	-4

Workforce

Increase		33	25	12	13
Decrease		3	4	5	8
Net		30	21	7	5

Wages Bill

Increase		44	34	22	17
Decrease		6	7	7	14
Net		38	27	15	3

Prices

Increase		22	28	27	17
Decrease		2	2	2	2
Net		20	26	25	15

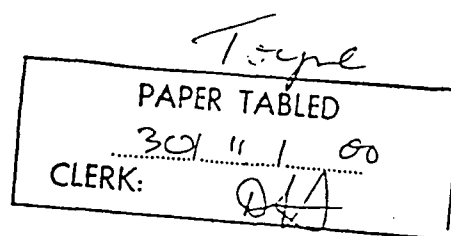
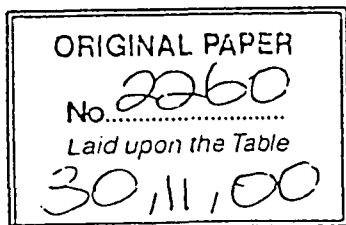
Profitability

Increase		58	57	48	34
Decrease		5	4	11	28
Net		53	53	37	6

Capital Expenditure

Increase		31	34	26	18
Decrease		20	29	19	28
Net		11	5	7	-10

Feb-99	May-99	Aug-99	Nov-99	Feb-00	May-00	Aug-00	Nov-00
26	22	31	27	28	28	19	
20	27	22	27	22	21	37	
6	-5	9	0	6	7	-18	
75	61	52	40	57	44	37	43
2	6	12	28	7	24	22	31
73	55	40	12	50	20	15	12
32	19	14	14	23	18	13	17
2	4	7	11	5	9	8	10
30	15	7	3	18	9	5	7
38	30	20	22	30	25	29	24
3	5	11	17	8	9	13	17
35	25	9	5	22	16	16	7
22	16	16	15	31	55	27	26
0	2	5	6	3	0	4	1
22	14	11	9	28	55	23	25
66	58	49	41	55	39	41	41
3	8	10	28	7	23	28	29
63	50	39	13	48	16	13	12
31	29	32	18	40	32	29	13
19	14	29	33	17	29	32	29
12	15	3	-15	23	3	-3	-16



NOVEMBER 2000

YELLOW PAGES®

BUSINESS INDEX

SMALL & MEDIUM ENTERPRISES



Yellow Pages

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Introduction

The Yellow Pages[®] *Business Index – Small and Medium Enterprises* is an ongoing series of surveys tracking confidence and behaviour in Australia's small and medium enterprises (SMEs).

The primary objectives of the *Index* are to track small and medium business activity over the past three months; expectations over both the current three and 12-month periods; and to measure overall confidence among SMEs. A second purpose is to provide an independent, objective assessment of proprietors' experiences and attitudes on key issues.

For the November edition, the *Index* has been enhanced significantly. Because of these changes, its name has been changed from the Yellow Pages[®] *Small Business Index* to reflect the inclusion of medium businesses within the research. Other significant changes to the *Index* include:

- expansion of the sample size from 1200 to 1800;
- broadening of the regional sample, to provide a more accurate regional 'snapshot' of SME experiences and attitudes; and
- expansion of the sectoral breakdown to include businesses within the accommodation, cafes and restaurants, communication, health, community services, cultural and recreational industries.

These enhancements to the *Index* enable a broader scrutiny of the SME market, as well as a closer understanding of trends and issues relevant to this sector. In addition, it allows a more accurate examination of the differences in attitudes and experiences between regional and metropolitan SMEs, and between small and medium enterprises. Significantly, inclusion of medium size businesses means the *Index* is now reflective of the attitudes and behaviour of approximately 99 percent of the Australian business sector.

The *Index* is an initiative of Pacific Access as part of its commitment to this vital business sector. As one of Australia's leading online search, directories and media businesses - and as producers of the Yellow Pages[®] and White Pages[™] print, voice and online directories - Pacific Access has close links with Australia's SMEs. Over 80 percent of its more than 400,000 customers around Australia are SMEs. Pacific Access also manages the leading Internet search engine, GOeureka[™], and the location and navigation brand, Whereis[™].



About the Survey

Since its inception in 1993, the *Index* has been the most comprehensive and regular survey of small businesses in Australia. Historically, the *Index* has focused specifically on businesses employing 19 people or fewer. From this edition, the Yellow Pages® *Business Index - Small and Medium Enterprises* has been expanded to cover the medium business sector, while the regional and industrial sectors have also been enhanced.

The November *Index* results are based on telephone interviews conducted with 1,800 small and medium business proprietors. The sample size is divided between 1,200 small businesses and 600 medium businesses (the latter defined as businesses employing between 20 and 199 people). As a result of this first ever inclusion of medium businesses, long-term trends can only be shown for the small business sector in this report.

Businesses interviewed for this *Index* were drawn from all metropolitan and major non-metropolitan regions within Australia. Quotas were set on geographical location and type of business, in order to produce the standard sample structure shown opposite. Where replacement businesses are recruited, this sample structure is maintained.

At the analysis stage, results were weighted by selected ANZSIC divisions within the metropolitan and non-metropolitan region of each state or territory. This ensured the sample reflected the actual small business population distribution. The Australian Bureau of Statistics (ABS) Business Register, as at June 1998, was used to weight the sample to be representative of the total business population.

Interviewing for this latest survey was conducted over the period 18 October to 8 November 2000. The report covers experiences over the past three months (August 2000 to October 2000), and expectations for both the current quarter (November 2000 to January 2001) and the 12 months ending November 2001.

Special Questions

In addition to the key economic indicators, this *Index* examines in detail small business proprietors' attitudes and behaviour with respect to a range of specific issues, including the Goods and Services Tax (GST), interest rates and the Sydney 2000 Olympic Games.

Location of Business			
	Total	Metro	Non-Metro
New South Wales	300	240	60
Victoria	300	240	60
Queensland	300	165	135
South Australia	225	195	30
Western Australia	225	195	30
Tasmania	150	90	60
Northern Territory	150	90	60
A.C.T.	150	150	—
Total	1800	1365	435

Division	
Manufacturing	200
Building/Construction	250
Wholesale Trade	150
Retail Trade	250
Accommodation, Cafes & Restaurants	100
Transport/Storage	150
Finance and Insurance	100
Communication, Property & Business Services	300
Health and Community Services	150
Cultural, Recreational & Personal Services	150
Total	1800



Executive Summary

The most critical finding of the November 2000 Yellow Pages® *Business Index – Small and Medium Enterprises* is a downturn in business confidence within the Australian small enterprise sector. Lack of historical data for medium enterprises means similar confidence comparisons for this sector are not possible.

Other key findings from this *Index* are included in the following three sections of this Executive Summary:

1. Historical trends for small enterprises and highlights for small and medium enterprises (SMEs);
2. Major out-takes as a result of enhancements to this *Index* (small versus medium enterprises; metropolitan versus regional; industry comparisons); and
3. Business Cycle analysis based on the findings from this *Index*.

Small enterprise historical trends and SME highlights

- Business confidence, and perceptions of the current state and future direction of the economy all declined during the past quarter;
- Sales performance dropped sharply during the past quarter (influenced in part by the Olympics), but is expected to rebound in the current quarter;
- In order of importance, major problems confronting Australian SMEs included a lack of work, government regulations, cash flow and the general economic climate;
- The decline in small business proprietors' expectations for their own businesses reflected an anticipated decline in business activity, the impact of the Goods and Services Tax (GST) and recent depreciation of the Australian dollar;
- Key business indicators experiencing a downturn over the past quarter included sales, wages growth, capital expenditure and profitability;
- There was a marginal improvement in the Federal Government's approval rating during the October quarter;
- Of all state governments, the Northern Territory remained the most popular with the small (and medium) enterprise community;
- More SME proprietors said GST implementation had been easy than difficult (indicating GST implementation had been relatively smooth);
- The most difficult aspect of the GST was changes required to accounting and record keeping systems;
- On the whole, more SMEs believed their understanding of Business Activity Statement (BAS) obligations to be good than not;
- SME *proprietors* were cited most frequently as the people who actually completed the BAS;
- Accountants and financial advisers were the primary sources of information for completion of the BAS;
- More businesses identified the Olympics as having a negative impact on sales, rather than a positive impact. This trend was particularly noticeable among New South Wales businesses;
- However, the SME sector believed overwhelmingly the Olympics were great for the Australian economy;
- The vast majority of SMEs believed interest rates would rise over the next year; and
- The most likely impact SMEs expected from an interest rate rise was reduced company profitability.



Small versus medium enterprises; metropolitan versus regional; industry comparisons

Small versus medium

Major differences to emerge in the performance and expectations between small and medium businesses during the past quarter were:

- Medium businesses demonstrated a noticeably higher level of confidence in their own business prospects than small businesses;
- Sales performance during the past quarter was markedly lower within small businesses than medium businesses;
- Medium businesses demonstrated much stronger growth in overall wages than smaller businesses;
- Profits declined more significantly within small businesses than medium businesses; and
- Medium businesses were noticeably more supportive of the Federal Government's policies than small businesses.

Metropolitan versus regional

Major differences to emerge between metropolitan and regional businesses during the previous quarter were:

- On the whole, metropolitan businesses were more optimistic about their business prospects for the next twelve months than regional businesses;
- A noticeably higher number of metropolitan businesses were seeking to grow their businesses, compared with their regional counterparts;
- Regional businesses were more pessimistic about the current state of the Australian economy than metropolitan businesses;
- In terms of key business indicators during the past quarter, metropolitan businesses recorded relatively stronger performance in wages growth and employment, while regional businesses fared better in sales, profitability and capital expenditure; and
- Metropolitan businesses were less supportive of the Federal Government's policies than regional businesses.

Industry sector trends

Major differences to emerge during the quarter regarding industry sector trends were:

- The most optimistic industries regarding business confidence for the next twelve months as measured by the net balance of respondents were finance and insurance (65 percent), health and community services (44 percent), and cultural, recreational and personal services (43 percent);
- The most pessimistic industries as measured by the net balance of respondents were manufacturing (20 percent), wholesale trade (20 percent), and transport and storage (22 percent);
- The most confident industry for employment expectations was wholesale trade, with the least confident being transport and storage;
- With regard to recent price rises, the most significant increases occurred in the hospitality and retail sectors, while the lowest rises were recorded in finance and insurance, and health and community services;
- Retail and hospitality were the poorest performing industries in terms of profitability, with the best performing sectors being finance and insurance, and health and community services; and
- Industries most supportive of Federal Government policies were retail and communication, and property and business services. The most critical were cultural, hospitality, and recreational and personal services.



The Business Cycle and SMEs

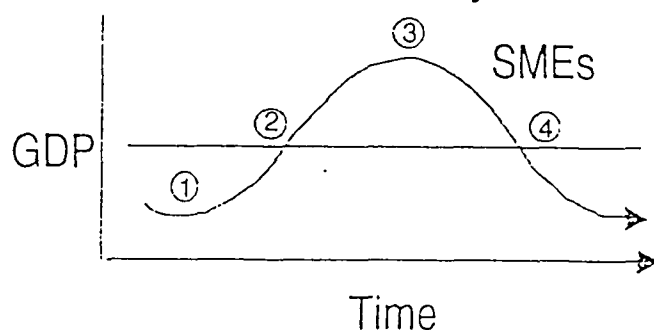
When examining the 12-month trends for a range of key business and economic indicators, it is possible to gauge the likely direction of the Australian economy. A new feature incorporated in this and all future editions of the *Index* is an analysis of the major indicators, relative to normal expectations for their performance during the course of the business cycle.

The chart below shows an assessment of each indicator's performance relative to the state of the economy. Shaded areas highlight where each indicator sits as a result of the findings from this *Index*, relative to the normal business cycle.

Analysis of these indicators from the November *Index* suggests the economy is much closer to the definition of a "slowdown" than any other point in the business cycle. This is demonstrated best in indicators like falling business confidence, declining perceptions of the economy, weakening investment and profitability, and moderating investment expectations. It suggests the Australian economy is headed for a "harder landing", given most of the shaded indicators are seen traditionally as elements of an economic slowdown.

The only indicators currently not reflective of a slowdown are inflation (impacted by the one-off GST effect), and employment and wages growth (which tend to hold up in the earliest stages of an economic downturn).

The Business Cycle



1. Trough	2. Recovery	3. Peak	4. Slow Down
• Low Business Confidence	• Rising Business Confidence	• Strong Business Confidence	• Falling Business Confidence
• Poor Perceptions of the Economy	• Rising Perceptions of the Economy	• Strong Perceptions of the Economy	• Declining Perceptions of the Economy
• Weak Sales	• Improving Sales	• Strong Sales	• Declining Sales
• Low Investment	• Rising Investment	• High Investment	• Declining Investment
• Pessimistically low Investment Expectations (ie high realisation ratio)	• Investment Expectations improving but still on the low side	• Optimistically high Investment Expectations (ie low realization ratios)	• Investment Expectations weakening but still on the high side
• Low selling price rises	• Rising selling prices	• High Selling Prices	• Selling Price Rises weakening
• Weak Profitability	• Improving Profitability	• Strong Profitability	• Declining Profitability
• Flat Employment	• Rising Employment	• Strong Employment	• Declining Employment
• Low wages growth	• Rising Wages Growth	• High Wages Growth	• Moderating Wages Growth

Highlighted sections show the indicators relevant to SMEs from the Yellow Pages® Business Index - Small and Medium Enterprises, November 2000.



Small Business Outlook - National Summary

CONFIDENCE IN OWN BUSINESS PROSPECTS OVER THE NEXT 12 MONTHS

Confidence among small enterprises declined over the past quarter, largely influenced by concerns over the direction of the Australian economy. While 53 percent of small business proprietors were confident about their future, 23 percent were worried about their prospects for the next 12 months, resulting in a net balance of 30 percent. This represented a noticeable 12 percent net balance decline from the previous quarter, when a net balance of 42 percent was recorded.

Within the various confidence categories, the biggest change was the downgrading of business confidence from "fairly confident" about future prospects, to the more pessimistic categories of "neutral" or "fairly worried".

The decline in small business prospects matched a similar decline in expectations for the Australian economy. Major economic concerns for the next 12 months included an expected decline in business activity, the impact of the Goods and Services Tax (GST), and direction of the Australian dollar. The November result was the second lowest level for small business since the Yellow Pages® *Small Business Index* began in 1993, with the lowest result occurring in May this year.

There was a consistent picture across three of the most crucial economic indicators contained within this issue of the *Index* - a decline in perceptions of medium-term business prospects, and in the current state and future direction of the economy. This picture suggests the projected slowdown of the Australian economy is more likely to be a "harder landing".

Medium businesses were markedly more confident about their business prospects than small businesses. This was reflected in the 54 percent net balance of medium businesses confident about their future business prospects, compared with only 30 percent of small businesses.

Overall Confidence

November 2000

	Small Business (up to 19 employees)	Medium Business (20-99 employees)	Total Small and Medium
Extremely Confident	10%	8%	10%
Fairly Confident	43%	55%	44%
Neutral	21%	23%	24%
Fairly Worried	19%	12%	16%
Extremely Worried	3%	2%	4%
Total Confident	53%	65%	54%
Total Worried	23%	11%	23%
*NET BALANCE	+30%	+54%	+31%

Q. Thinking about the next twelve months, how confident do you feel about your business prospects?

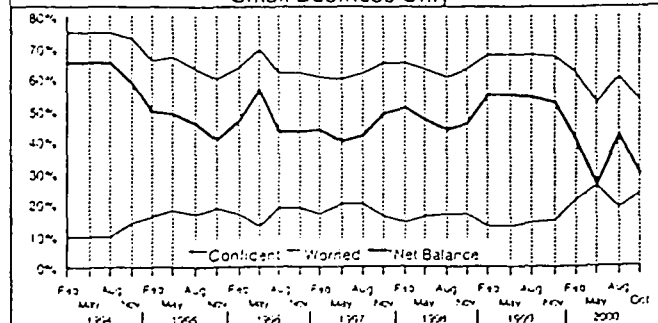
SOURCE: Yellow Pages® Business Index
Survey Report - November 2000

Confidence Trends - Past Three Quarters

	Small Business Only					Small & Medium
	Nov 99	Feb 00	May 00	Aug 00	Nov 00	Nov 00
Extremely Confident	15%	13%	9%	10%	10%	10%
Fairly Confident	52%	50%	42%	51%	43%	44%
Neutral	13%	17%	22%	20%	24%	24%
Fairly Worried	12%	17%	21%	15%	19%	18%
Extremely Worried	3%	4%	5%	4%	4%	4%
Total Confident	67%	62%	52%	61%	53%	54%
Total Worried	15%	21%	26%	19%	23%	23%
*NET BALANCE	+52%	+41%	+26%	+42%	+30%	+31%

SOURCE: Yellow Pages® Business Index
Survey Report - November 2000

Long Term Trends in Confidence Small Business Only



SOURCE: Yellow Pages® Business Index
Survey Report - November 2000

*Net balance is defined as the difference between the percentage who are confident and the percentage who are worried.



CONFIDENCE BY STATE AND SECTOR

Across the states and territories, confidence levels for small business over the next 12 months were again highest in South Australia (a net balance of 41 percent), representing the second consecutive quarter where South Australia ranked highest of all the states and territories. The worst performing states were Queensland (22 percent net balance) and Western Australia (23 percent net balance).

The two states that recorded the most significant declines in small business confidence levels during the past quarter were Queensland - declining from 43 percent to 22 percent (a fall of 21 percentage points), and Western Australia - declining from 45 percent to 23 percent (a fall of 22 percentage points).

SME confidence levels in metropolitan Australia were 32 percent compared with 26 percent for regional Australia, giving metropolitan regions a six percentage points' advantage in terms of projected business confidence levels over the next 12 months.

On an industry basis, by far the most confident sectors among SMEs were finance and insurance (65 percent), followed by health and community services (44 percent). The least confident sectors were retail (16 percent), manufacturing (20 percent) and wholesale (20 percent).

Trends By State
*Net Balance

	Small Business Only					Small & Medium
	Nov 99	Feb 00	May 00	Aug 00	Nov 00	Nov 00
National	52%	41%	25%	42%	30%	31%
New South Wales	57%	45%	30%	44%	34%	35%
Victoria	45%	48%	20%	34%	30%	32%
Queensland	43%	22%	15%	43%	22%	22%
South Australia	63%	55%	35%	57%	41%	39%
Western Australia	56%	42%	30%	45%	23%	23%
Tasmania	43%	35%	35%	32%	31%	33%
Northern Territory	59%	49%	44%	35%	25%	25%
A C T	63%	54%	44%	43%	37%	37%

SOURCE: Yellow Pages® Business Index
Survey Report - November 2000

Confidence By Sector
*Net Balance - SMEs

	Confident	Worried	Net Balance
Manufacturing	42%	29%	20%
Building/Construction	54%	24%	30%
Wholesale Trade	47%	27%	20%
Retail Trade	43%	32%	16%
Transport/Storage	46%	24%	22%
Communication, Property & Business	57%	18%	39%
Finance and Insurance	71%	6%	65%
Health and Community Services	57%	13%	44%
Cultural, Recreational & Personal	62%	19%	43%
Accommodation, Cafes & Restaurants	52%	15%	36%

SOURCE: Yellow Pages® Business Index
Survey Report - November 2000

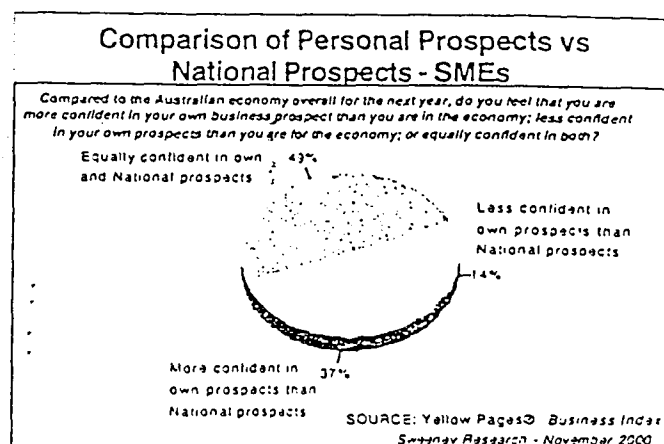
*Net balance is defined as the difference between the percentage who are confident and the percentage who are worried



COMPARISON OF PERSONAL PROSPECTS VS THE ECONOMY

SMEs demonstrated noticeably higher confidence in their own business prospects for the next 12 months relative to the national economy. Thirty seven percent of SMEs were more confident in their own business prospects relative to the overall economy, while only 14 percent were less confident. The net result of 23 percent indicates Australia's SMEs believed they would perform relatively well compared with larger businesses over the next 12 months. The most frequently stated reason for this outcome was SMEs having control over their own businesses.

The most confident industry sectors relative to the economy were wholesale (37 percent), health and community services (29 percent), and cultural and recreational services (29 percent). The least confident industries were the hospitality (five percent), retail (13 percent), and finance and insurance (14 percent). The only other significant difference across the business landscape was relatively higher confidence in firms with employee numbers between 10 and 19, compared to smaller businesses.



**Net balance is defined as the difference between the percentage with a positive outlook and the percentage outlook with a negative*



PERCEPTIONS OF THE ECONOMY

Over one-third (35 percent) of SMEs believed the Australian economy to be in a period of slowdown. This is considerably higher than the 24 percent that believed Australia to be in a period of economic growth.

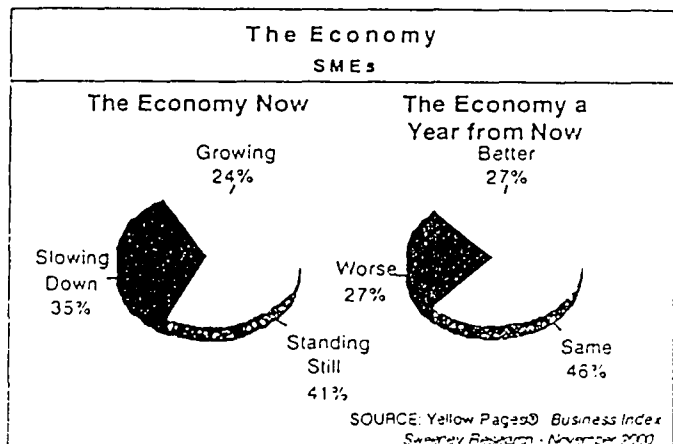
Small businesses were more pessimistic about the current state of the Australian economy than medium businesses, with a net balance of 11 percent believing the economy to be in a period of slowdown, compared with the three percent net balance for medium businesses.

However, the small business result needs to be interpreted carefully when making historical comparisons, since the wording for this question changed in the November *Index* from 'economic recession' to 'economic slowdown'.

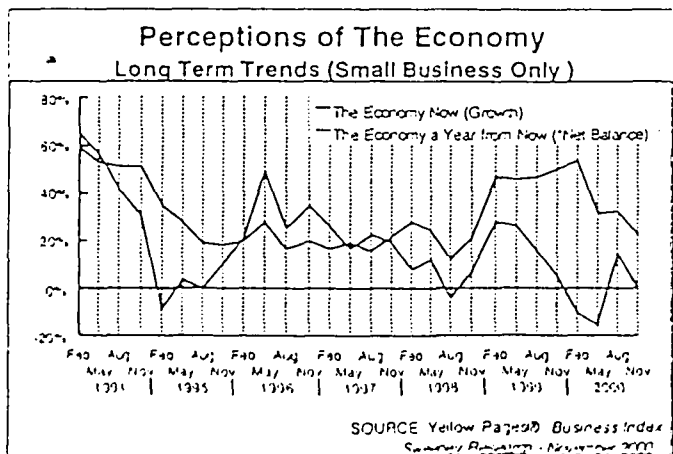
Since the February 2000 *Index*, however, there has been a large decline in the proportion of small businesses believing the Australian economy to be in a growth phase. The situation is the same for their perceptions of the economy a year from now, with the net balance falling from 15 percent in the previous quarter to the current result of zero net balance.

SME proprietors in Victoria, Western Australia and the Northern Territory were the most negative about the current state of the economy. This negative sentiment was carried into future expectations of the economy by Victorian businesses, in particular.

Small businesses located in metropolitan regions were more confident about the future direction of the economy than their regional counterparts.



	Small Business Only					Small & Medium
	Nov 99	Feb 00	May 00	Aug 00	Nov 00	Nov 00
The Economy Now						
Growth	50%	54%	31%	32%	23%	24%
**Recession/slowing	4%	7%	12%	9%	35%	35%
*Net Balance	46%	47%	19%	23%	-12%	-11%
The Economy a Year From Now						
Better	23%	23%	22%	36%	27%	27%
Worse	23%	33%	37%	21%	27%	27%
*Net Balance	5%	-10%	-15%	15%	0%	0%
*Note: Wording changed from 'recession' to 'slowing down' in October 2000						
SOURCE: Yellow Pages® Business Index Sweeney Research - November 2000						



	SMEs							
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
The Economy Now								
Growth	30%	20%	18%	27%	18%	25%	19%	24%
Slowing	32%	43%	35%	22%	37%	20%	38%	35%
*Net Balance	-2%	-23%	-17%	5%	-19%	5%	-19%	-11%
The Economy a Year From Now								
Better	30%	18%	35%	33%	29%	30%	26%	23%
Worse	23%	36%	22%	22%	29%	24%	23%	32%
*Net Balance	7%	-18%	13%	11%	-1%	6%	3%	-9%
SOURCE: Yellow Pages® Business Index Sweeney Research - November 2000								

*Net balance is defined as the difference between the percentage with a positive outlook and the percentage outlook with a negative



EXPECTATIONS ON KEY INDICATORS OVER THE NEXT 12 MONTHS

Proprietors were asked about their expectations on a series of key business indicators over the next 12 months. For key indicators of business activity like sales and profitability, the percentage of businesses expecting an increase outweighed those expecting a decline. Compared to the previous quarter's results, small business sales recorded the same level of confidence, while profits were marginally down.

There was an expectation of increasing price levels, with a net balance of 48 percent of small businesses expecting prices to rise - up from the 45 percent result recorded in the previous quarter. The greatest margin in confidence levels between the metropolitan and regional results arose in employment levels, with metropolitan at a net balance of 17 percent compared to five percent for the regions.

The future direction of business indicators highlighted significantly higher levels of confidence among medium businesses compared with small businesses. Medium businesses were far more confident about sales, employment, growth in total wages, profits and, capital expenditure in particular. Medium businesses also anticipated faster growth in selling prices.

Expectations On Key Indicators Over
The Next 12 Months - SMEs

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	53%	18%	35%
Size of workforce	19%	5%	14%
Wages bill	35%	8%	27%
Prices charged	52%	3%	49%
Profitability	43%	21%	27%
Capital expenditure	30%	25%	5%

SOURCE: Yellow Pages® Business Index
Survey Report - November 2000

Expectations On Key Indicators
Trends In *Net Balance

	Small Business Only					Small & Medium
	Nov 99	Feb 00	May 00	Aug 00	Nov 00	Nov 00
Value of sales	42%	37%	22%	34%	34%	35%
Size of workforce	15%	14%	11%	13%	13%	14%
Wages bill	31%	22%	27%	26%	25%	27%
Prices charged	53%	64%	61%	45%	45%	49%
Profitability	37%	22%	14%	29%	25%	27%
Capital expenditure	15%	16%	9%	3%	4%	5%

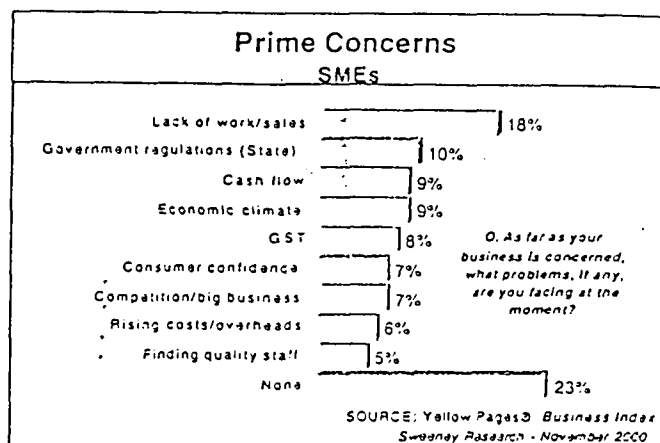
SOURCE: Yellow Pages® Business Index
Survey Report - November 2000



CONCERNS

For the second consecutive quarter, lack of work and sales represented the number one concern of small businesses across Australia, including all states and territories, metropolitan and regional areas, and virtually all industry sectors. In the May 2000 *Index*, GST was identified as the number one concern of small businesses. However, it has now dropped away to only the fifth most significant concern. Other key concerns included state government regulations, cash flow and the general economic climate.

Concerns expressed by medium businesses were similar to small businesses, with small more likely to nominate lack of work as an issue, and medium more likely to nominate competition and imports.



SALES

Small business sales performance over the past three months (August - October) fell dramatically by a negative 20 percent net balance. This was the lowest sales' experience recorded since the *Index* commenced in 1993. Compared to the previous August quarter, the number of respondents experiencing an increase in sales fell from 39 percent to 26 percent, while those recording a decrease in sales increased from 33 percent to 46 percent. A net balance of 20 percent of businesses said the Olympics had a negative effect on their sales during the past quarter.

Of all the states and territories, the most significant decline in small business sales performance was recorded in Queensland, with a net balance of 35 percent. In terms of industry performance, the most significant falls were in the hospitality and retail sectors.

While small business sales fell dramatically during the October quarter, this is not expected to continue into the current quarter (November - January), where sales are expected to rebound by a positive net balance of 25 percent. This may be attributable to the fact the recent downturn in sales was influenced by one-off factors like the Olympics.

The expected recovery represents the second consecutive quarter that small businesses have increased their expectations for sales in the forthcoming quarter. Of concern, however, is whether these expectations will end up falling well short of reality, as they did for the last quarter.

A net balance of -20 percent of small businesses were more likely to identify a decline in sales than medium businesses (net balance of negative seven percent). However, they recorded similar results for expectations of a rebound in sales for the current quarter.

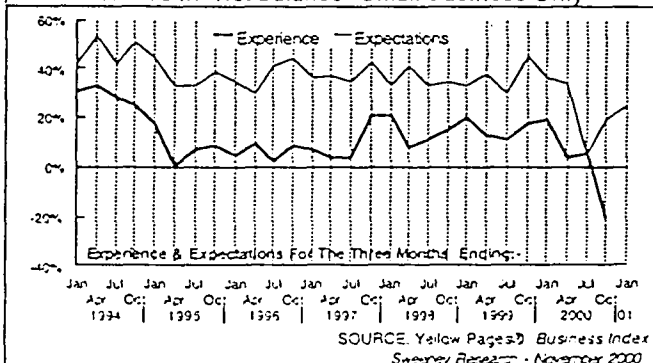
Value of Sales

	Small Business	Medium Business	Total
<i>Last Quarter</i>			
Experienced Increase	26%	31%	25%
No Change	28%	39%	29%
Experienced Decrease	46%	33%	45%
*Net Balance	-20%	-7%	-19%
<i>Current Quarter</i>			
Expect Increase	44%	38%	44%
No Change	36%	40%	36%
Expect Decrease	19%	20%	19%
*Net Balance	25%	18%	25%

SOURCE: Yellow Pages® Business Index
Sweeney Research - November 2000

Sales Value

Trends in *Net Balance - Small Business Only



*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.



EMPLOYMENT

Size of Workforce

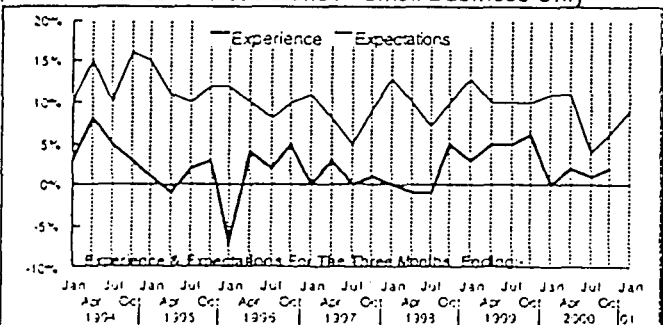
	Small Business	Medium Business	Total
Last Quarter			
Experienced Increase	9%	14%	10%
No Change	84%	75%	84%
Experienced Decrease	7%	10%	7%
*Net Balance	2%	4%	3%
Current Quarter			
Expect Increase	13%	21%	13%
No Change	83%	64%	82%
Expect Decrease	4%	14%	4%
*Net Balance	9%	7%	9%

SOURCE: Yellow Pages® Business Index
Sweeney Research - November 2000

Employment recorded minor growth during the past quarter, with more small businesses experiencing an increase in employment (nine percent), compared with the proportion of businesses recording a decline (seven percent). The most positive employment trends occurred in Tasmania and Victoria, while noticeable declines were recorded in the Northern Territory and the Australian Capital Territory (ACT). On an industry basis, the best performing sector was finance and insurance (up 18 percent), while the worst result occurred in wholesale (down four percent).

Size of Workforce

Trends in *Net Balance - Small Business Only

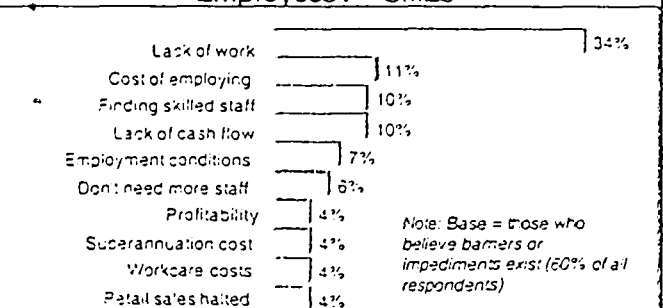


SOURCE: Yellow Pages® Business Index
Sweeney Research - November 2000

Expectations for small business employment during the current quarter were quite buoyant, with a nine percent net balance of small businesses expecting a rise for the second consecutive quarter. The most confident states for the current quarter were South Australia and New South Wales, with the least confident being Queensland and the Northern Territory. On an industry basis, wholesale was the most optimistic sector, representing a major rebound from the October quarter result. Transport and storage was the least confident industry.

When asked whether there were any particular impediments preventing small businesses from taking on additional employees, 60 percent said yes and 34 percent cited lack of work as the most significant barrier. The next most important reasons were cost of labour, finding suitable staff and lack of cash flow.

What are the Barriers to Taking on New Employees? - SMEs



SOURCE: Yellow Pages® Business Index
Sweeney Research - November 2000

There were comparable trends in employment for small and medium businesses during the previous quarter. However, there was an expectation of stronger performance within medium businesses for the current quarter.

*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease



Wages growth slowed markedly during the past quarter. The same number of small businesses recorded an increase as recorded a decline in their wages and salary costs. This zero net balance represented a noticeable fall from the positive net balance of 11 percent recorded in the August *Index*. The decline in the November quarter wages bill mirrored closely the trend in sales for the quarter.

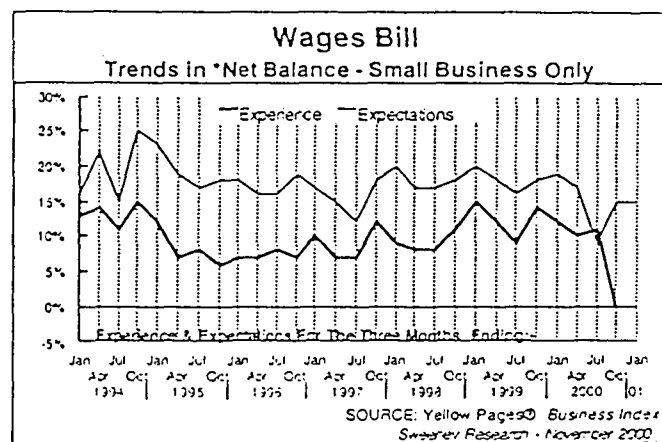
The previous quarter's negative sentiment was not expected to continue into the current quarter, with a positive 15 percent net balance of small businesses expecting an increase in their wages bill. This was being driven largely by expectations of higher employment levels.

Medium businesses recorded significantly higher wages growth than small businesses during the previous quarter. This positive disparity in favour of medium businesses was expected to continue into the current quarter.

Wages Bill

	Small Business	Medium Business	Total
<u>Last Quarter</u>			
Experienced Increase	13%	43%	20%
No Change	58%	39%	57%
Experienced Decrease	19%	12%	18%
*Net Balance	0%	35%	2%
<u>Current Quarter</u>			
Expect Increase	23%	30%	24%
No Change	68%	57%	65%
Expect Decrease	8%	12%	8%
*Net Balance	15%	18%	16%

SOURCE: Yellow Pages® Business Index
Survey Research - November 2000



*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease



PRICES

There has been a clear rise in the proportion of small businesses increasing their prices over the past two quarters, most likely reflecting the impact of GST. For the August - October period, a net 32 percent of small businesses increased their prices, following on from a 40 percent net balance result in the previous quarter (May - July).

A breakdown of industry results shows the most significant price rises were in hospitality and retail. Industries with the lowest rises were finance and insurance, and health and community services.

Expectations for the current quarter are identical to the previous quarter, with a net balance of 26 percent of small businesses predicting an increase. Industry sectors with the greatest expectations for price rises are wholesale, retail, and transport and storage. Industries with the lowest expectations for price rises are finance and insurance, communication, hospitality, and property and business services.

A marginally higher percentage of small businesses recorded increases in selling prices relative to medium businesses during the previous quarter. The current quarter is likely to be characterised by comparable price rises between the two sets of businesses.

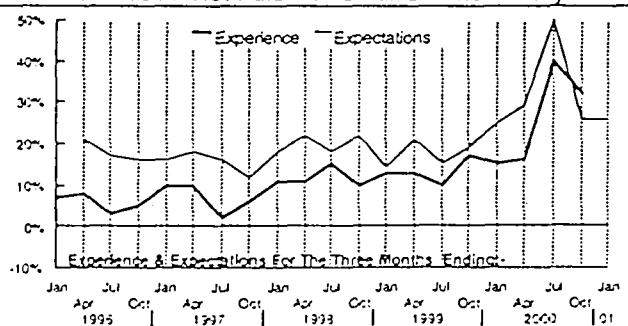
Prices Charged

	Small Business	Medium Business	Total
<u>Last Quarter</u>			
Experienced Increase	38%	36%	38%
No Change	56%	58%	56%
Experienced Decrease	6%	6%	6%
*Net Balance	32%	30%	32%
<u>Current Quarter</u>			
Expect Increase	29%	27%	28%
No Change	70%	68%	69%
Expect Decrease	2%	5%	2%
*Net Balance	26%	22%	25%

SOURCE: Yellow Pages[®] Business Index
Sweeney Research - November 2000

Prices Charged

Trends in *Net Balance - Small Business Only



SOURCE: Yellow Pages[®] Business Index
Sweeney Research - November 2000

*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease



CAPITAL EXPENDITURE

Capital expenditure in the previous quarter experienced a negative seven percent net balance decline in activity. 27 percent of small businesses recorded a decline in capital expenditure, compared with 20 percent experiencing a rise. This was a reversal of the previous quarter when a positive net balance of seven percent was recorded. Since current business investment is seen as an indicator of future economic activity, this points to the possibility of a more marked economic slowdown in the year ahead.

Regions and industries recording the most significant declines were the Northern Territory, and construction and retail. It is likely the decline in the construction sector is a reflection of generally agreed weak business activity levels projected for the forthcoming year.

While capital expenditure fell considerably in the previous quarter, the expected net balance of negative one percent for the current quarter is not quite as bad and is a definite improvement on the previous quarter's projected expectations of a net balance of -12 percent. The most positive small business industry sector in terms of capital expenditure expectations was cultural and recreational services, while the most pessimistic were hospitality, and finance and insurance.

Small business recorded a greater decline (negative seven percent net balance) in capital expenditure during the previous quarter, compared with the negative two percent outcome for medium businesses. However, the expectation was for a reversal of that trend this quarter, with a higher percentage of medium businesses expecting a decline in capital expenditure.

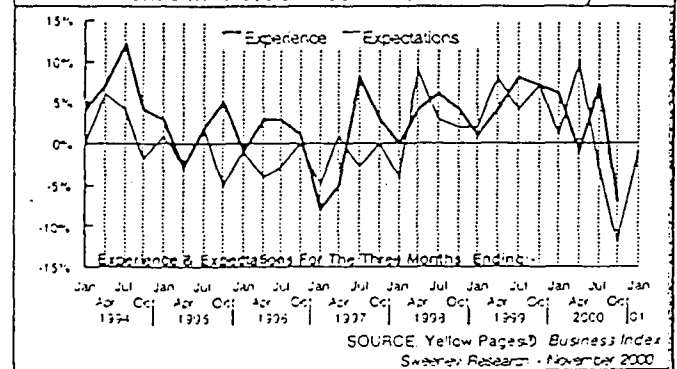
Capital Expenditure

	Small Business	Medium Business	Total
Last Quarter			
Experienced Increase	20%	32%	21%
No Change	47%	31%	44%
Experienced Decrease	33%	34%	27%
Net Balance	-7%	-2%	-5%
Current Quarter			
Expected Increase	21%	24%	21%
No Change	51%	41%	50%
Expected Decrease	28%	32%	23%
Net Balance	-1%	-8%	-2%

SOURCE Yellow Pages® Business Index
Sweeney Research - November 2000

Capital Expenditure

Trends In *Net Balance - Small Business Only



*Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease



PROFITABILITY

A significant 47 percent of small businesses reported a decrease in profitability during the previous quarter, compared with only 22 percent recording an increase. The net balance of -25 percent was a substantial decline compared with the negative two percent recorded in the previous May - July quarter. It would appear this was influenced by the revenue side of business, in line with weak sales performance during the quarter.

The retail and hospitality sectors recorded the worst profit performance, with the better performing industries being finance and insurance, and health and community services.

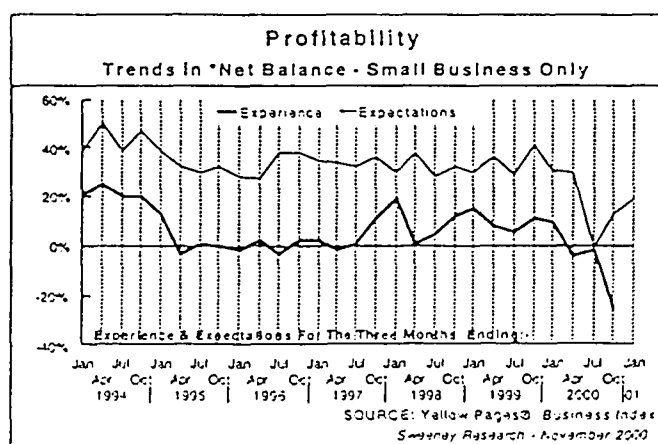
Small business proprietors believed the downturn in profits to be an aberration, since projections for the current quarter were markedly positive. A healthy 19 percent net balance expect profits to increase in the current quarter, with 40 percent expecting an increase and 21 percent expecting a decline. This confidence is most evident in the health and community services sectors.

Small businesses experienced a far more significant deterioration in profit performance than medium businesses during the past quarter. However, both sectors expected a comparable improvement in profits during the current quarter.

Profitability

	Small Business	Medium Business	Total
<u>Last Quarter:</u>			
Experienced Increase	22%	29%	22%
No Change	31%	25%	30%
Experienced Decrease	47%	42%	46%
*Net Balance	-25%	-13%	-24%
<u>Current Quarter</u>			
Expect Increase	40%	36%	40%
No Change	38%	40%	38%
Expect Decrease	21%	22%	21%
*Net Balance	19%	14%	19%

SOURCE: Yellow Pages® Business Index
Survey Research - November 2000



* *Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.*

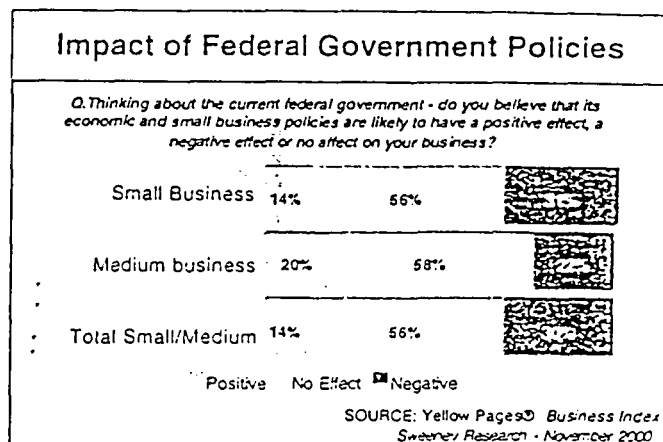
ASSESSMENT OF FEDERAL GOVERNMENT POLICIES

The number of small business proprietors who believed the Federal Government's policies supported small business increased slightly during the past quarter. On the specific issue of the impact of Federal Government policies on small business, there was a 3 percentage points improvement over the past quarter. This represents the second consecutive quarterly improvement in attitudes to the Federal Government.

Key factors behind this improvement, as identified by small business, ranged in order of importance from the GST and broader tax reform, to assisting economic growth, and a general view the Government is now more supportive and interested in small business.

Key reasons small businesses were critical of the Federal Government included GST compliance costs, lack of small business incentives and recent rises in fuel costs.

It is worthwhile noting that medium businesses were far more supportive of the Federal Government than small businesses, with a -17 percent net balance of small businesses believing Federal policies assisted them, compared with a small positive net balance of two percent for medium businesses.

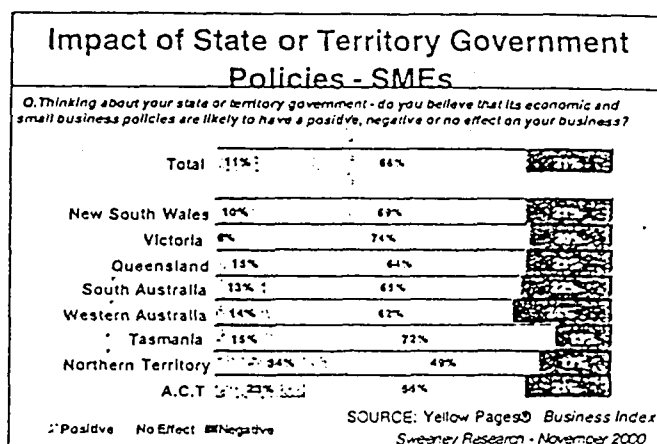


ASSESSMENT OF STATE GOVERNMENT POLICIES

Businesses in the Northern Territory remained the most positive about their Government's policies with respect to small business, with the next most favourable response shared between Tasmania and the ACT. The biggest improvers over the past quarter were Tasmania (a net balance increase of 21 percentage points) and Queensland (a net balance increase of 12 percentage points).

In the Northern Territory and Tasmania, the overwhelming reason behind this support was a view both governments were supportive and interested in small business. In Queensland, the predominant factor was the Government's ability to generate new jobs.

The most negative small business attitudes towards state and territory governments were split equally between New South Wales and Victoria. The most negative attitudes expressed by SMEs regarding the impact of state and territory governments on their own business, were aimed at the Victorian and New South Wales governments. In Victoria, the most significant individual factor cited for negative attitudes towards the Victorian State Government was increased workers' compensation costs. In New South Wales, there was a view the State Government did not understand the needs of small business.



THE GST AND THE NEW TAX SYSTEM

Support for introduction of the GST identified in the August *Index* continued into small business perceptions in the November *Index*, albeit at a reduced rate. In the August *Index*, a 34 percent net balance of businesses indicated their support for GST, compared to the 13 percent net balance in support of its ease of implementation during the last quarter.

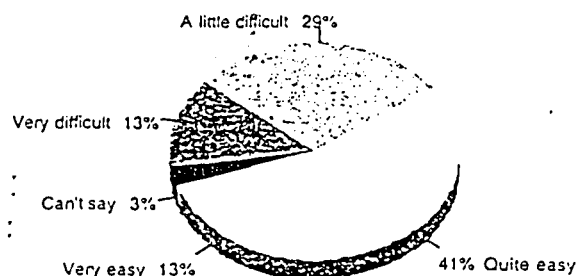
During the August-September quarter, SMEs were generally supportive when asked about the overall ease of GST implementation. Fifty four percent of SMEs said GST implementation had been very easy or quite easy, compared with 42 percent who thought it had been very difficult or a little difficult. The 12 percent net balance in support of its ease indicated a relatively smooth GST implementation for the Federal Government.

Key reasons cited for a difficult implementation included the time required, the amount of paperwork and complexity. Interestingly, a significantly higher proportion of regional businesses (28 percent) found GST implementation to be relatively easy compared with metropolitan businesses (seven percent).

Perhaps surprising was the fact larger businesses with employees numbering between 100 and 199 employees found the GST most difficult to implement, while smaller businesses with only one employee ranked second in terms of ease of implementation.

Ease of Implementing The GST

How easy have you found the implementation of the GST overall?



SOURCE: Yellow PagesSM Business Index
Sweeney Research - November 2000

Ease of Implementing The GST by Business Size

	Number of Employees					
	1-2	3-4	5-9	10-19	20-99	100-199
Very easy	14%	13%	8%	23%	11%	5%
Quite easy	40%	40%	48%	38%	36%	44%
A little difficult	28%	30%	29%	35%	41%	46%
Very difficult	13%	17%	13%	4%	11%	5%
Can't say	4%	0%	2%	0%	1%	0%
Total Easy	55%	53%	56%	61%	47%	49%
Total difficult	41%	47%	42%	39%	52%	51%

SOURCE: Yellow PagesSM Business Index
Sweeney Research - November 2000



SME proprietors were asked a range of specific questions regarding GST implementation.

Ease of Handling Aspects of the GST					
	Very easy	Quite easy	A little difficult	Very difficult	Can't say
Setting your post GST price levels	29%	39%	20%	7%	5%
Communicating changes to customers	32%	43%	14%	6%	5%
Complying with ACCC pricing guidelines	34%	37%	8%	5%	16%
Training staff	24%	27%	15%	7%	27%
Changing accounting or record keeping systems	12%	24%	34%	25%	5%
Accounting for wholesale sales tax already paid on inventories	10%	18%	10%	7%	55%

SOURCE: Yellow Pages® Business Index
Sweeney Research - November 2000

- Setting post-GST price levels - 68 percent said this was easy, resulting in a 41 percent net balance who indicated the setting of prices was easy compared with those who believed it was difficult;
- Communicating GST-related changes to customers - a significant 75 percent of businesses believed this aspect of the new tax system was easy, compared with 20 percent that cited it as difficult. Hence, a 55 percent net balance of businesses found this task easy;
- Compliance with Australian Competition and Consumer Commission (ACCC) pricing guidelines - 71 percent of businesses thought this was easy, and only 13 percent indicated it was difficult (the lowest response for problems associated with the new tax system);
- Training of staff to deal with GST implementation - just over half of all businesses (51 percent) stated training was easy and 22 percent thought it was difficult. The resulting 29 percent net balance response suggests SMEs found this task relatively easy;
- Changing accounting or record keeping systems - some 60 percent of SMEs stated this task was a little or very difficult (the most negative response to the various aspects of GST implementation). Only 36 percent of businesses thought this was easy, giving an overall net response rate of -24 percent (the only aspect of GST that SMEs believed to be more difficult than easy);

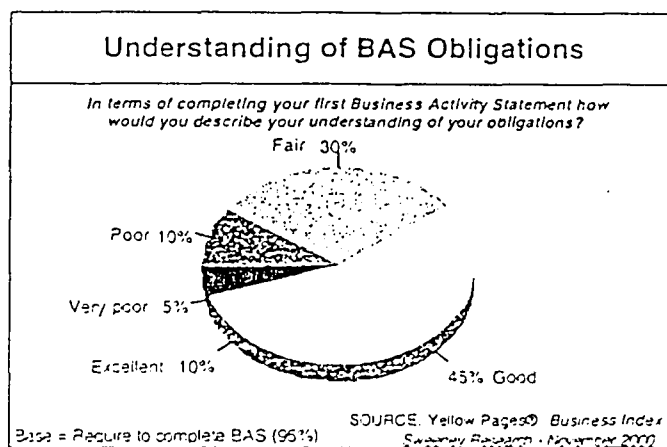
- Dealing with wholesale sales tax already paid on inventories - on the whole, more businesses found this was easy than difficult, with a positive net balance response rate of 11 percent of all SMEs.

Contrasting small and medium business sector trends, small businesses found the implementation of the GST to be relatively easier on the whole than medium businesses. Aspects of the GST implementation process that small businesses found comparatively easy included communicating changes to customers and complying with ACCC pricing guidelines. Changing accounting and record keeping systems was seen by the small business sector to be generally difficult, but not as difficult as perceived by the medium business sector. Medium businesses believed training of staff and accounting for wholesale sales tax paid on inventories to be easier than the small business sector.

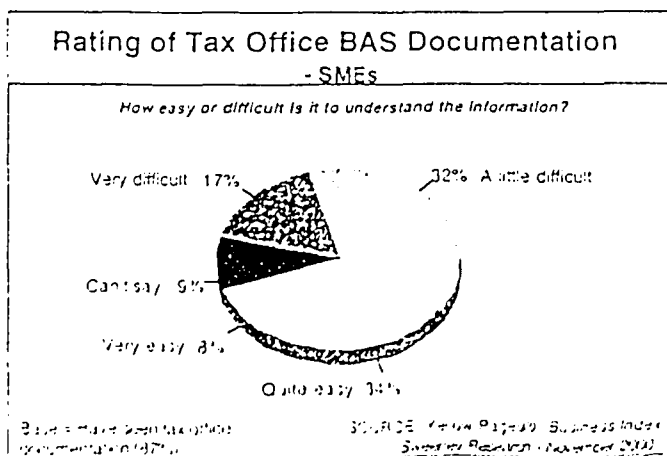


Some 95 percent of SMEs said that they were required to complete a Business Activity Statement - 4 percent said that they were not required to do so and 1 percent did not know. Those who said they were not required to complete a BAS were invariably very small businesses.

In terms of understanding their obligations to complete their first BAS, a 55 percent majority believed they had a good or excellent understanding, 30 percent fair, and 15 percent poor or very poor. Manufacturing was the best response rate by industry sector, with 66 percent believing their understanding to be good or excellent. Surprisingly, understanding of BAS obligations among SMEs actively seeking expansion was lower than for those not planning to grow.



Eighty seven percent of SMEs had seen documentation provided by the Australian Tax Office (ATO) relating to the BAS and only 11 percent had not. One percent said they did not know. More businesses (49 percent) thought the documentation was difficult to understand than easy (42 percent).



SMEs were asked to nominate the key person in their business responsible for completing their BAS. Just under half of all businesses (48 percent) stated the proprietor was responsible, followed by the external accountant at 23 percent and the internal accountant at 11 percent. In both cases, businesses with one employee relied most heavily on the proprietor or the external accountant. Businesses employing between 20 and 99 employees relied more heavily on internal accountants.

More than one-third of SMEs (38 percent) used an accountant or financial adviser as their primary source of information when completing the BAS. The next most worthwhile source of information was material provided by the ATO (30 percent of all businesses) and the third most frequent (11 percent) was the Government's BAS training seminars. Medium-sized businesses relied most on material provided by the ATO and, interestingly, larger businesses relied more on BAS training seminars than smaller businesses.

A higher percentage of medium businesses was aware of the BAS than small businesses. The medium business sector reported a much higher understanding of their obligations in respect of BAS and the small business sector had a significantly greater exposure to BAS documentation released by the ATO. Medium businesses believed ATO materials were more easily understood than small businesses. The small business sector was more likely to nominate the proprietor as the key person responsible for completing the BAS, whereas medium businesses were more likely to nominate the internal accountant.

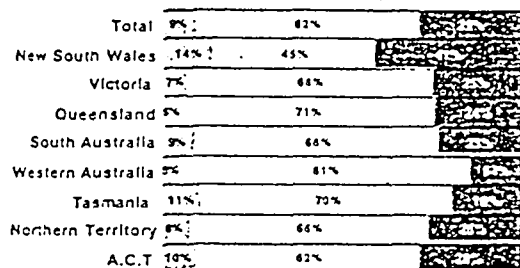


THE SYDNEY 2000 OLYMPIC GAMES

Regarding the impact of the Olympics on SME sales' performance, (29 percent) more believed it to be negative than positive (nine percent), giving a negative net balance of -20 percent. Of all the states and territories, the most negative response occurred in the Olympics host state, with New South Wales recording a negative net balance of -27 percent.

Impact of the Olympics on Sales Performance - SMEs

Q. Do you believe that the Olympics have had a positive impact, a negative impact or no impact on your sales performance over the past three months?



Legend: Positive (white), No Effect (hatched), Negative (black). SOURCE: Yellow PagesSM Business Index Survey Research - November 2000

Metropolitan businesses were far more likely to identify the Olympics as having a negative impact on sales than regional businesses.

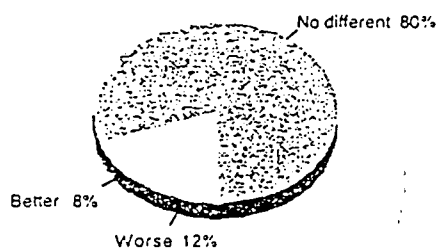
Between 11 and 20 percent was the most frequent range SMEs cited for adverse impact on sales performance as a result of the Olympics. The most frequent range for businesses stating a positive impact on sales was 1 to 5 percent.

The most frequent explanation (23 percent) cited for the negative impact of the Olympics on sales performance was that "everything went on hold" during that time. The next most frequent responses were "people just stayed home" (22 percent), "everyone went to the Olympics" (21 percent) and "a general decline in business occurred during and after the event" (19 percent). For SMEs whose sales performance was impacted positively by the Olympics, the most frequently cited reason was the provision of labour or products to the event (39 percent). The next most frequent responses were "the Olympics generated more sales" (18 percent) and "the positive attitude people got from the Games" (18 percent).

Comparing prior expectations of the Olympics' impact on SMEs with the actual reality post-Games, the view was marginally negative. Twelve percent of SMEs thought the impact was worse than expected, compared with eight percent who thought it was better than expected.

Comparison to Expectations SMEs

Q. Compared to your expectations before the Olympics - would you say that the impact on your business was better than you anticipated, worse than you anticipated or about what you anticipated?



SOURCE: Yellow PagesSM Business Index Survey Research - November 2000

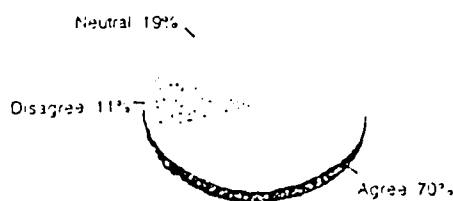
On the whole, there was an overwhelmingly strong view (70 percent) that the Olympics were great for the Australian economy, with only 11 percent of SMEs believing they were not.

Comparing trends between the small and medium business sectors, small businesses were more likely to nominate the Olympics as having a negative impact on their sales during the quarter. Also, more medium businesses believed the Olympics had a positive impact on the economy relative to small businesses.

The most memorable Games highlights identified by SMEs were the opening ceremony (41 percent), Cathy Freeman's 400-metre race (nine percent), the 4x100 metre freestyle swimming relay team (seven percent) and the closing ceremony (six percent).

Perceived Impact on Economy SMEs

Q. Would you agree, disagree or neither agree nor disagree that the 2000 Sydney Olympic Games were great for Australia's economy?



SOURCE: Yellow PagesSM Business Index Survey Research - November 2000



INTEREST RATES

In response to questioning about the likely direction for interest rates, a majority of SMEs (80 percent) believed they would be higher in a year's time. Only four percent thought they would decline and 16 percent that they would remain around today's level. Small businesses were more likely to believe interest rates would be higher (80 percent) than medium businesses (67 percent).

Between 0.6 and 1 percent was the most cited (35 percent) response for expectations about the likely magnitude of interest rate rises, followed by 1.1-2 percent (33 percent) and up to 0.5 percent (18 percent).

Of those SMEs who believed interest rates would rise, just under half (47 percent) said this would have no real impact on their business and around two-fifths (39 percent) that it would have only a minor impact. Only 14 percent thought interest rate rises would have a major impact, with the three sectors most concerned being (in order) transport and storage, hospitality, and health and community services.

Interest rates rises were expected to have the most likely negative effect on company profits, with 93 percent of all businesses indicating profitability would definitely or probably reduce. The next most likely effect would be to constrain further borrowing, followed by an expected reduction in capital expenditure. SMEs said the least likely effect would be for them to increase selling prices as a result of increasing interest rates.

Small businesses were more likely to believe interest rates would be higher (80 percent), compared with medium businesses (67 percent). In terms of the magnitude of the increase in interest rates, small businesses were more likely to nominate higher increases than medium businesses, and a higher percentage of small businesses said interest rate rises would have an impact on their business. Small business also stated that increased interest rates would constrain their business expansion plans and further borrowing, and reduce expenditure on marketing activities. Medium businesses thought higher interest rates would be likely to reduce their ability to employ more staff and increase their selling prices.

Expectations on Interest Rates SMEs

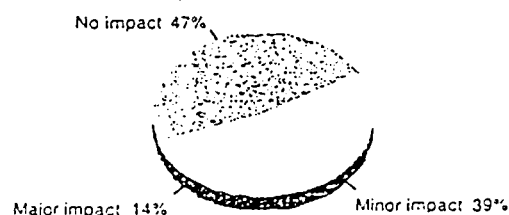
Q. In a year's time, do you expect interest rates to be higher, lower, or about the same as they are now?



SOURCE: Yellow Pages[®] Business Index
Sweeney Research - November 2000

Expected Impact on Business SMEs

Q. What impact would such an increase have on your business? For example, will this result in a major increase, a minor increase or no real increase in your business loans or finance costs



Base = Expect Increase

SOURCE: Yellow Pages[®] Business Index
Sweeney Research - November 2000

Likely Impact of Increased Rates on Business SMEs

Would you expect to...	Definitely	Probably	Possibly	Probably Not
Reduce your expenditure on capital equipment	62%	9%	3%	25%
...Constrain further borrowings	62%	14%	6%	18%
Constrain your plans to expand the business	53%	9%	13%	24%
Reduce your profitability	78%	15%	1%	6%
Increase your selling prices	34%	11%	12%	43%
Reduce your likelihood of employing more staff	60%	8%	2%	30%
Reduce your marketing activity and expenditure	43%	17%	4%	36%

Base = Expect Increase

SOURCE: Yellow Pages[®] Business Index
Sweeney Research - November 2000



Small Business Outlook - National

In this section, we have only been able to look at small business trends because data for small versus medium trends in each state and territory was not available. In subsequent editions of the *Index*, we will be able to review SME trends.

- Small business confidence levels have fallen based on perceptions of a slowing economy
- Sales growth slowed dramatically, influenced in part by the Olympics
- Businesses more confident about their own business prospects than prospects for the economy
- Expectations for short-term employment levels have improved
- Marginal rise in approval rating for the Federal Government
- • GST implementation relatively easy

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NATIONAL

		SMALL BUSINESS				SMALL/MEDIUM	
		FEB 2000 %	MAY 2000 %	AUG 2000 %	NOV 2000 %	NOV 2000 %	
CONFIDENCE IN OWN BUSINESS	POSITIVE	62	52	61	53	54	
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	21	26	19	23	23	
	NET BALANCE	+41	+26	+42	+30	+31	

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		SMALL BUSINESS				SMALL/MEDIUM	SMALL BUSINESS				SMALL/MEDIUM
		NOV-JAN 99/00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	AUG-OCT 00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	NOV-JAN 00/01 %	NOV-JAN 00/01 %
SALES VALUE:	INCREASE	44	37	39	26	26	47	34	42	44	44
	DECREASE	25	33	33	46	45	13	29	23	19	19
	NET BALANCE	+19	+4	+6	-20	-19	+34	+5	+19	+25	+25
SIZE OF WORKFORCE:	INCREASE	9	11	9	9	10	14	10	11	13	13
	DECREASE	9	9	8	7	7	3	6	5	4	4
	NET BALANCE	0	+2	+1	+2	+3	+11	+4	+6	+9	+9
WAGES BILL:	INCREASE	24	23	24	18	20	23	20	24	23	24
	DECREASE	12	13	13	18	18	6	11	9	8	8
	NET BALANCE	+12	+10	+11	0	+2	+17	+9	+15	+15	+16
PRICES:	INCREASE	20	20	46	38	38	31	55	29	28	28
	DECREASE	5	4	6	6	6	2	5	3	2	2
	NET BALANCE	+15	+16	+40	+32	+32	+29	+50	+26	+26	+26
PROFITABILITY:	INCREASE	36	30	31	22	22	42	28	38	40	40
	DECREASE	26	34	33	47	46	12	29	25	21	21
	NET BALANCE	+10	-4	-2	-25	-24	+30	-1	+13	+19	+19
CAPITAL EXPENDITURE:	INCREASE	26	23	27	20	21	29	24	17	21	21
	DECREASE	20	24	20	27	27	19	27	29	22	23
	NET BALANCE	+6	-1	+7	-7	-6	+10	-3	-12	-1	-2

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease



Small Business Outlook - NSW

- Confidence declined during the previous quarter, in line with national trend
- Decline in sales even more dramatic than the national decline - influenced by the Olympics
- Expectations for employment trends quite buoyant
- Business confidence in investment performance comparatively strong
- Attitudes towards State Government remain relatively negative

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NSW

		SMALL BUSINESS				SMALL/MEDIUM
		FEB 2000 %	MAY 2000 %	AUG 2000 %	NOV 2000 %	NOV 2000 %
CONFIDENCE IN OWN BUSINESS	POSITIVE	66	55	63	55	56
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	20	25	19	21	21
	NET BALANCE	+46	+30	+44	+34	+35

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		SMALL BUSINESS				SMALL/MEDIUM	SMALL BUSINESS				SMALL/MEDIUM
		NOV-JAN 99/00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	AUG-OCT 00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	NOV-JAN 00/01 %	NOV-JAN 00/01 %
SALES VALUE:	INCREASE	47	37	40	27	27	49	35	46	48	48
	DECREASE	23	34	25	45	45	12	28	25	22	21
	NET BALANCE	+24	+3	+15	-18	-18	+37	+7	+21	+26	+27
SIZE OF WORKFORCE:	INCREASE	7	11	8	8	8	18	13	12	16	16
	DECREASE	10	10	7	6	7	3	7	5	3	3
	NET BALANCE	-3	+1	+1	+2	+1	+15	+6	+7	+13	+13
WAGES BILL:	INCREASE	25	22	20	16	17	27	21	26	24	24
	DECREASE	14	17	14	15	15	4	14	9	8	8
	NET BALANCE	+11	+5	+6	+1	+2	+23	+7	+17	+16	+16
PRICES:	INCREASE	22	18	42	36	36	32	52	24	24	24
	DECREASE	4	4	6	4	4	1	54	4	3	3
	NET BALANCE	+18	+14	+36	+32	+32	+31	+47	+20	+21	+21
PROFITABILITY:	INCREASE	41	32	30	22	22	42	29	43	43	42
	DECREASE	23	34	35	46	46	12	31	25	25	25
	NET BALANCE	+18	-2	-5	-24	-24	+30	-2	+18	+18	+17
CAPITAL EXPENDITURE:	INCREASE	28	21	25	20	21	29	27	17	21	21
	DECREASE	15	26	21	22	23	13	25	25	17	17
	NET BALANCE	+13	-5	+4	-2	-2	+16	+2	-8	+4	+4

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease



Small Business Outlook - Victoria

- Business confidence held up relatively well compared with other states
- Expectations for a significant rebound in sales for the current quarter
- Wages pressures expected to be comparatively high
- High expectations of improved profitability
- Negative perceptions of the State Government remain due to increased workers' compensation costs

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - VICTORIA

		SMALL BUSINESS				SMALL/MEDIUM
		FEB 2000 : %	MAY 2000 %	AUG 2000 %	NOV 2000 %	NOV 2000 %
CONFIDENCE IN OWN BUSINESS	POSITIVE	65	49	56	52	53
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	17	29	22	22	21
	NET BALANCE	+48	+20	+34	+30	+32

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		SMALL BUSINESS				SMALL/MEDIUM	SMALL BUSINESS				SMALL/MEDIUM
		NOV-JAN 99/00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	AUG-OCT 00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	NOV-JAN 00/01 %	NOV-JAN 00/01 %
SALES VALUE:	INCREASE	44	36	39	24	24	46	34	37	39	39
	DECREASE	24	30	31	41	40	15	32	25	16	17
	NET BALANCE	+20	+6	+8	-17	-16	+31	+2	+12	+23	+22
SIZE OF WORKFORCE:	INCREASE	8	14	12	10	11	14	6	13	10	10
	DECREASE	8	7	8	5	5	3	4	5	3	4
	NET BALANCE	0	+7	+4	+5	+6	+11	+2	+8	+7	+6
WAGES BILL:	INCREASE	21	24	27	21	23	26	18	26	22	23
	DECREASE	9	9	12	18	18	7	8	7	8	8
	NET BALANCE	+12	+15	+15	+3	+5	+19	+10	+19	+14	+15
PRICES:	INCREASE	14	17	45	46	45	28	61	38	29	28
	DECREASE	8	5	8	6	6	1	3	3	1	1
	NET BALANCE	+6	+12	+37	+40	+39	+27	+58	+35	+28	+27
PROFITABILITY:	INCREASE	35	27	30	23	23	42	28	33	36	37
	DECREASE	24	35	32	43	42	13	28	26	18	17
	NET BALANCE	+11	-8	-2	-20	-19	+29	0	+7	+18	+20
CAPITAL EXPENDITURE:	INCREASE	27	25	26	19	20	30	23	17	26	26
	DECREASE	20	22	12	29	29	21	32	34	21	22
	NET BALANCE	+7	+3	+14	-10	-9	+9	-9	-17	+5	+4

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease



Small Business Outlook - Queensland

- Business confidence declines faster than national trend
- Sales trends for the previous quarter weakest of any state
- Profit trends for same quarter lowest of any state
- Business investment projected to be lower than national trend
- State Government recorded another noticeable improvement in its approval rating

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - QUEENSLAND

		SMALL BUSINESS				SMALL/MEDIUM					
		FEB 2000 %	MAY 2000 %	AUG 2000 %	NOV 2000 %	NOV 2000 %					
CONFIDENCE IN OWN BUSINESS	POSITIVE	51	44	61	48	48					
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	29	29	18	26	26					
	NET BALANCE	+22	+15	+43	+22	+22					
		ACTUAL EXPERIENCE DURING:				EXPECTATIONS FOR:					
		SMALL BUSINESS				SMALL/MEDIUM	SMALL BUSINESS				SMALL/MEDIUM
		NOV-JAN 99/00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	AUG-OCT 00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	NOV-JAN 00/01 %	NOV-JAN 00/01 %
SALES VALUE:	INCREASE	44	35	37	23	24	46	37	39	44	43
	DECREASE	26	36	34	57	56	12	23	19	20	21
	NET BALANCE	+18	-1	+3	-34	-32	+34	+14	+20	+24	+22
SIZE OF WORKFORCE:	INCREASE	8	11	11	9	11	11	11	8	10	11
	DECREASE	11	9	8	7	7	3	7	7	5	6
	NET BALANCE	-3	+2	+3	+2	+4	+8	+4	+1	+5	+5
WAGES BILL:	INCREASE	30	25	27	16	20	17	21	19	21	22
	DECREASE	12	13	9	25	24	10	9	10	10	11
	NET BALANCE	+18	+12	+18	-9	-4	+7	+12	+9	+11	+11
PRICES:	INCREASE	23	25	54	36	35	33	53	23	32	30
	DECREASE	6	2	5	7	9	2	5	4	4	4
	NET BALANCE	+17	+23	+49	+29	+26	+31	+48	+19	+28	+26
PROFITABILITY:	INCREASE	34	30	30	19	19	39	30	33	39	38
	DECREASE	30	38	36	58	56	14	26	28	20	21
	NET BALANCE	+4	-8	-6	-39	-37	+25	+4	+5	+19	+17
CAPITAL EXPENDITURE:	INCREASE	23	25	25	18	19	30	23	18	19	20
	DECREASE	24	24	21	30	32	19	28	25	23	30
	NET BALANCE	-1	+1	+4	-12	-12	+11	-5	-7	-9	-10

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease



Small Business Outlook - SA

- Business confidence remains strongest in the country
- Sales performance declined significantly in line with national trends
- Employment trends expected to outperform the national outlook
- Projected investment activity for current quarter looks particularly weak
- Marginal improvement in State Government approval rating

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - SOUTH AUSTRALIA

		SMALL BUSINESS				SMALL/MEDIUM
		FEB 2000 %	MAY 2000 %	AUG 2000 %	NOV 2000 %	NOV 2000 %
CONFIDENCE IN OWN BUSINESS	POSITIVE	70	57	67	62	61
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	15	22	10	21	22
	NET BALANCE	+55	+35	+57	+41	+39

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		SMALL BUSINESS				SMALL/MEDIUM	SMALL BUSINESS				SMALL/MEDIUM
		NOV-JAN 99/00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	AUG-OCT 00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	NOV-JAN 00/01 %	NOV-JAN 00/01 %
SALES VALUE:	INCREASE	45	35	40	28	29	47	33	49	46	45
	DECREASE	22	24	31	45	44	16	27	16	14	14
	NET BALANCE	+23	+11	+9	-17	-15	+31	+6	+33	+32	+31
SIZE OF WORKFORCE:	INCREASE	9	5	8	7	9	7	9	12	18	17
	DECREASE	4	4	9	5	5	2	5	4	1	2
	NET BALANCE	+5	+1	-1	+2	+4	+5	+4	+8	+17	+15
WAGES BILL:	INCREASE	22	16	23	18	20	17	18	27	28	28
	DECREASE	14	9	12	23	23	3	14	11	6	7
	NET BALANCE	+8	+7	+11	-5	-3	+14	+4	+16	+22	+21
PRICES:	INCREASE	15	28	42	45	45	30	60	31	36	35
	DECREASE	2	0	3	6	6	3	5	2	2	3
	NET BALANCE	+13	+28	+39	+39	+39	+27	+55	+29	+34	+32
PROFITABILITY:	INCREASE	38	33	33	24	24	42	30	43	38	38
	DECREASE	23	27	29	48	48	12	26	18	19	21
	NET BALANCE	+15	+6	+4	-24	-24	+30	+4	+25	+19	+17
CAPITAL EXPENDITURE:	INCREASE	24	20	33	21	22	29	22	23	13	16
	DECREASE	24	21	28	33	33	28	27	27	26	27
	NET BALANCE	0	-1	+5	-12	-11	+1	-5	-4	-13	-11

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease



Small Business Outlook - WA

- Business confidence drops faster than the national experience
- Expectations for noticeable rebound in sales performance for the current quarter
- Profitability also projected to rebound strongly this quarter
- Expectations for capital expenditure remain subdued
- State Government has a low level of support

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - WESTERN AUSTRALIA

		SMALL BUSINESS				SMALL/MEDIUM
		FEB 2000 %	MAY 2000 %	AUG 2000 %	NOV 2000 %	NOV 2000 %
CONFIDENCE IN OWN BUSINESS	POSITIVE	60	55	61	51	51
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	18	25	16	28	28
	NET BALANCE	+42	+30	+45	+23	+23

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		SMALL BUSINESS				SMALL/MEDIUM	SMALL BUSINESS				SMALL/MEDIUM
		NOV-JAN 99/00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	AUG-OCT 00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	NOV-JAN 00/01 %	NOV-JAN 00/01 %
SALES VALUE:	INCREASE	33	41	34	25	25	46	24	45	46	46
	DECREASE	34	39	29	44	44	10	35	17	16	16
	NET BALANCE	-1	+2	+5	-19	-19	+36	-11	+28	+30	+30
SIZE OF WORKFORCE:	INCREASE	10	9	7	11	11	9	7	11	12	12
	DECREASE	5	15	8	11	11	7	7	2	5	6
	NET BALANCE	+5	-6	-1	0	0	+2	0	+9	+7	+6
WAGES BILL:	INCREASE	18	21	21	17	18	16	25	23	25	24
	DECREASE	11	16	14	19	19	11	14	6	5	6
	NET BALANCE	+7	+5	+7	-2	-1	+5	+11	+17	+20	+18
PRICES:	INCREASE	22	17	51	30	30	33	52	30	35	35
	DECREASE	1	3	7	7	7	1	5	2	2	2
	NET BALANCE	+21	+14	+44	+23	+23	+32	+47	+28	+33	+33
PROFITABILITY:	INCREASE	23	29	30	20	20	46	21	39	45	44
	DECREASE	35	38	25	45	45	8	33	22	17	17
	NET BALANCE	-12	-9	+5	-25	-25	+38	-12	+17	+28	+27
CAPITAL EXPENDITURE:	INCREASE	24	19	29	23	23	27	21	12	14	15
	DECREASE	30	27	25	28	29	22	23	36	26	26
	NET BALANCE	-6	-8	+4	-5	-6	+5	-2	-24	-12	-11

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease



Small Business Outlook - Tasmania

- Business confidence levels have held up, while the national trend weakens
- Sales projections for the current quarter forecast strong recovery
- Profitability also expected to record strong performance in the current quarter
- Business investment represents the weakest element of future business activity
- State Government recorded biggest increase in approval

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - TASMANIA

		SMALL BUSINESS				SMALL/MEDIUM
		FEB 2000 %	MAY 2000 %	AUG 2000 %	NOV 2000 %	NOV 2000 %
CONFIDENCE IN OWN BUSINESS	POSITIVE	57	56	56	55	56
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	22	21	24	24	23
	NET BALANCE	+35	+35	+32	+31	+33

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		SMALL BUSINESS				SMALL/MEDIUM	SMALL BUSINESS				SMALL/MEDIUM
		NOV-JAN 99/00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	AUG-OCT 00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	NOV-JAN 00/01 %	NOV-JAN 00/01 %
SALES VALUE:	INCREASE	41	36	33	29	29	41	20	36	46	46
	DECREASE	27	30	43	42	41	18	33	31	11	11
	NET BALANCE	+14	+6	-10	-13	-12	+23	-13	+5	+35	+35
SIZE OF WORKFORCE:	INCREASE	14	11	8	18	18	12	7	9	11	11
	DECREASE	15	2	6	7	7	5	13	9	3	3
	NET BALANCE	-1	+9	+2	+11	+11	+7	-6	0	+8	+8
WAGES BILL:	INCREASE	22	19	23	16	17	20	14	23	26	26
	DECREASE	14	7	14	15	14	7	15	14	5	5
	NET BALANCE	+8	+12	+9	+1	+3	+13	-1	+9	+21	+21
PRICES:	INCREASE	21	12	49	41	40	19	51	34	33	32
	DECREASE	6	8	8	6	6	5	11	0	3	3
	NET BALANCE	+15	+4	+41	+35	+34	+14	+40	+34	+30	+29
PROFITABILITY:	INCREASE	40	33	34	24	24	40	18	32	42	42
	DECREASE	36	24	37	44	43	18	39	32	10	10
	NET BALANCE	+4	+9	-3	-20	-19	+22	-21	0	+32	+32
CAPITAL EXPENDITURE:	INCREASE	25	18	28	14	16	16	21	17	14	14
	DECREASE	27	26	13	26	26	27	23	46	31	31
	NET BALANCE	-2	-8	+15	-12	-10	-11	-2	-29	-17	-17

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.



Small Business Outlook - NT

- Business confidence falls in line with national experience
- Recovery in sales expected to be less pronounced than the national trend
- Less significant rebound in profits forecast for the current quarter
- Business investment expected to remain particularly weak
- Territory Government remains by far the most popular in the country

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NORTHERN TERRITORY

		SMALL BUSINESS				SMALL/MEDIUM
		FEB 2000 %	MAY 2000 %	AUG 2000 %	NOV 2000 %	NOV 2000 %
CONFIDENCE IN OWN BUSINESS	POSITIVE	67	60	55	49	49
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	18	16	20	24	23
	NET BALANCE	+49	+44	+35	+25	+26

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		SMALL BUSINESS				SMALL/MEDIUM	SMALL BUSINESS				SMALL/MEDIUM
		NOV-JAN 99/00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	AUG-OCT 00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	NOV-JAN 00/01 %	NOV-JAN 00/01 %
SALES VALUE:	INCREASE	39	37	40	33	33	57	44	37	43	43
	DECREASE	26	41	42	45	46	7	24	22	31	31
	NET BALANCE	+13	-4	-2	-12	-13	+50	+20	+15	+12	+12
SIZE OF WORKFORCE:	INCREASE	12	9	15	8	9	23	18	13	17	17
	DECREASE	23	9	9	14	14	5	9	8	10	11
	NET BALANCE	-11	0	+6	-6	-5	+18	+9	+5	+7	+6
WAGES BILL:	INCREASE	24	18	31	23	25	30	25	29	24	25
	DECREASE	15	22	22	19	20	8	9	13	17	16
	NET BALANCE	+9	-4	+9	+4	+5	+22	+16	+16	+7	+9
PRICES :	INCREASE	14	24	40	32	30	31	55	27	26	27
	DECREASE	2	9	10	8	9	3	0	4	1	1
	NET BALANCE	+12	+15	+30	+24	+21	+28	+55	+23	+25	+26
PROFITABILITY:	INCREASE	30	27	33	23	23	55	39	41	41	41
	DECREASE	27	41	38	52	52	7	23	28	29	29
	NET BALANCE	+3	-14	-5	-29	-29	+48	+16	+13	+12	+12
CAPITAL EXPENDITURE:	INCREASE	27	28	28	19	19	40	32	29	13	13
	DECREASE	27	22	21	37	37	17	29	32	29	30
	NET BALANCE	0	+6	+7	-18	-18	+23	+3	-3	-16	-17

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease



Small Business Outlook - ACT

- Business confidence falls, but remains stronger than national trend
- Sales held up well against every other part of the country
- Employment trends look positive
- Profitability expected to recover
- Reasonable support for ACT Government continues

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - ACT

		SMALL BUSINESS				SMALL/MEDIUM
		FEB 2000- %	MAY 2000 %	AUG 2000 %	NOV 2000 %	NOV 2000 %
CONFIDENCE IN OWN BUSINESS	POSITIVE	69	64	65	57	57
PROSPECTS IN NEXT 12 MONTHS	NEGATIVE	15	20	17	20	20
	NET BALANCE	+54	+44	+48	+37	+37

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		SMALL BUSINESS				SMALL/MEDIUM	SMALL BUSINESS				SMALL/MEDIUM
		NOV-JAN 99/00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	AUG-OCT 00 %	FEB-APR 00 %	MAY-JUL 00 %	AUG-OCT 00 %	NOV-JAN 00/01 %	NOV-JAN 00/01 %
SALES VALUE:	INCREASE	53	38	48	39	39	51	30	34	39	40
	DECREASE	7	17	19	34	34	9	20	26	15	16
	NET BALANCE	+46	+21	+29	+5	+5	+42	+10	+8	+24	+24
SIZE OF WORKFORCE:	INCREASE	13	18	15	4	4	17	14	13	18	18
	DECREASE	10	7	8	9	9	4	3	2	7	7
	NET BALANCE	+3	+11	+7	-5	-5	+13	+11	+11	+11	+11
WAGES BILL:	INCREASE	25	24	29	28	30	30	25	33	21	21
	DECREASE	10	7	7	12	12	5	3	2	8	8
	NET BALANCE	+15	+17	+22	+16	+18	+25	+22	+31	+13	+13
PRICES:	INCREASE	22	28	56	32	32	28	64	22	26	26
	DECREASE	2	1	2	5	6	5	2	3	0	1
	NET BALANCE	+20	+27	+54	+27	+26	+23	+62	+19	+26	+25
PROFITABILITY:	INCREASE	46	42	43	36	36	47	31	32	40	39
	DECREASE	14	16	18	29	29	11	26	27	13	14
	NET BALANCE	+32	+26	+25	+7	+7	+36	+5	+5	+27	+25
CAPITAL EXPENDITURE:	INCREASE	30	19	33	24	25	18	18	13	23	23
	DECREASE	27	23	22	23	23	33	34	34	22	22
	NET BALANCE	+3	-4	+11	+1	+2	-15	-16	-21	+1	+1

* Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease

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APPENDIX "E"

**LETTERS FROM
CHIEF MINISTER, THE HON. D.G. BURKE, MLA
TO SPEAKER
DATED 30 NOVEMBER 2000**



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The Hon Terry McCarthy MLA
Speaker of the Legislative Assembly
GPO Box 3721
DARWIN NT 0801

Dear Mr Speaker

It is my intention to raise as a matter of privilege the actions of the Member for Fannie Bay in the Chamber yesterday when she presented during Question Time what she purported to be a graph prepared by the Yellow Pages Small Business Index.

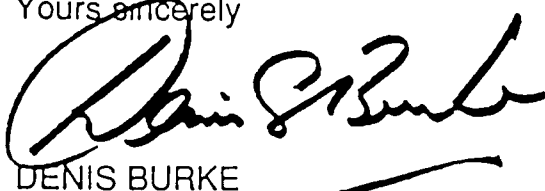
I believe her actions are such that they should be referred to the Committee of Privileges and I intend to move accordingly.

Under Standing Order 83 I am notifying you of my intention to give notice of such a motion and seek your agreement that the matter take precedence of other business and further that according to sub-paragraph 7 of Standing Order 83, the motion take precedence of other business today.

Attached are:

- the comments of the Member in the Chamber yesterday;
- the graph she presented; and
- the press release from the Yellow Pages Small Business Index.

Yours sincerely



DENIS BURKE

This is an uncorrected proof of the daily report. It is made available under the condition that it is recognised as such.

Eighth Assembly First Session 28/11/2000 Parliament Record No.26

Date : 29/11/2000 Question No :
Question : Telstra Small Business Index
Question Date : 29/11/2000
Member : Ms MARTIN
To : MINISTER for INDUSTRIES and BUSINESS

Status :

- ☒ Questions
- ☐ Written Questions Not Answered
- ☐ Answers to Written Questions
- ☐ Answers to Questions
- ☐ X-Reference Index

Information :

Yesterday the Chief Minister referred to the Telstra small business index and the Country Liberal Party's apparent popularity. Minister, have you had a chance to read through the report yourself? I hope so.

When Denis Burke became Chief Minister the government had the support of a net 55% of small businesses – and I refer to the graph. February 1999. That has now slipped to 17% and it is worth noting the graph down here, record low. Further, business confidence has fallen from 74% expected better times over the next year to just 25%.

Would the minister like to explain to Territorians why the government's popularity with small business is at its lowest ever level or why small business confidence has plummeted since Chief Minister Burke and Deputy Reed have been steering the Territory's economy?

ANSWER

Mr Speaker, I ask that the statement quoted from the Leader of the Opposition be tabled.

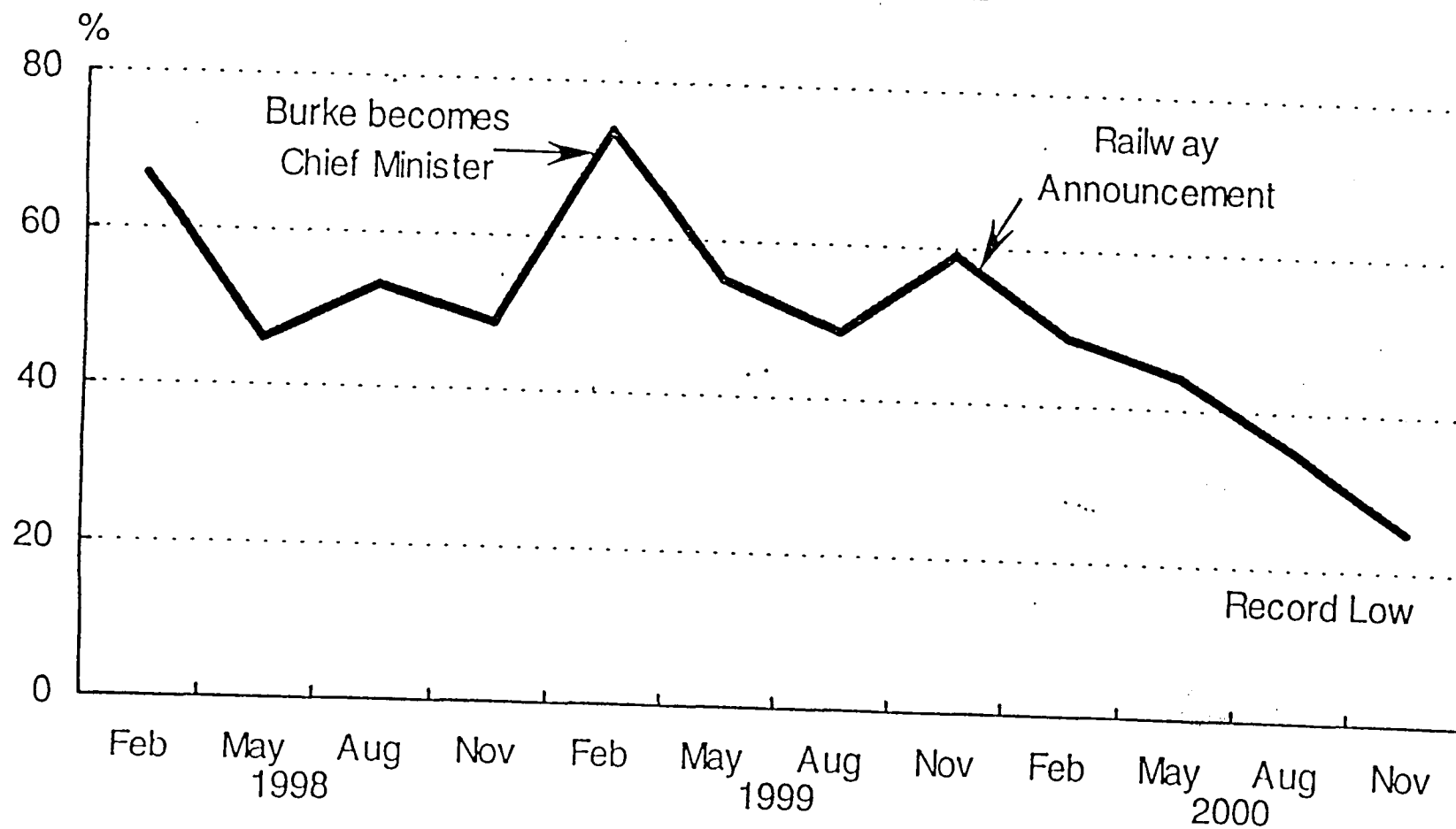
Mr SPEAKER: I am sure the member will have no trouble tabling that.

Mr DUNHAM: Mr Speaker, I think the core thing here is that people should understand, listening to this broadcast, is that the Leader of the Opposition was not listening yesterday to the Chief Minister. In fact, most of us heard the answer that he gave and I thought it was very good. The answer he gave was quoting from the small business index yellow pages and the point to note here is the confidence in comparison in other jurisdictions that is being placed in the Northern Territory government. And as the index says again this year: 'The Northern Territory government remained by far the most popular of all states and territory governments with more than one third of SMEs believing that the Territory government policies supported small business'. Which is saying that compared to all other states the business sector out there believes that the Northern Territory is doing the a good job for small businesses.

I take my time to go and go and consult with small business and, yes, there are concerns out there about the business sector and that it is quiet and flat in some regards, but that is not to say that the confidence is waning, and in fact they have a lot of confidence in the future. If the Leader of the Opposition wants to read the full index here they would see that the business community believes that the future for their prospects is very bright.

TELSTRA SMALL BUSINESS INDEX

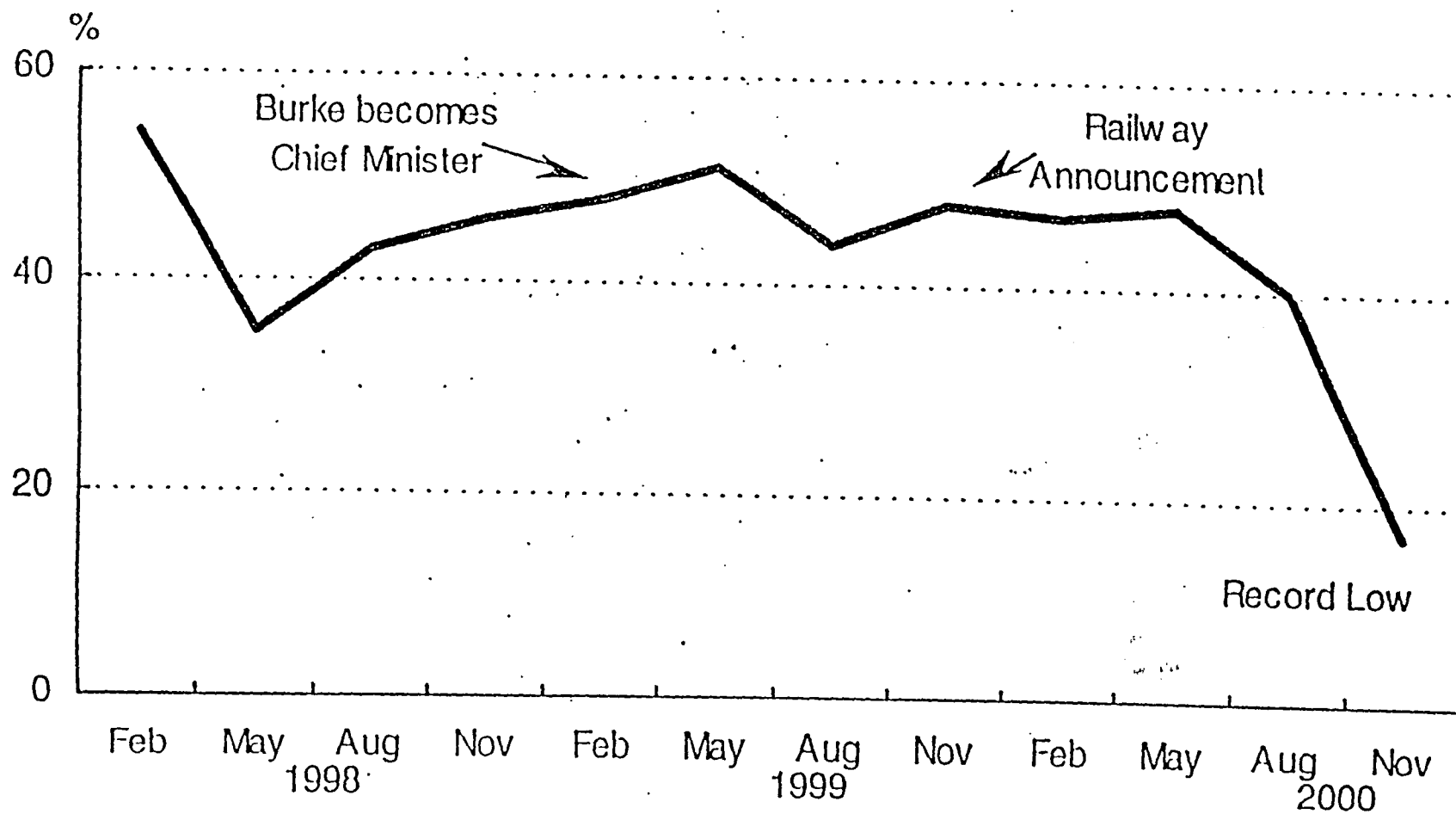
BUSINESS CONFIDENCE



Source: *Telstra Small Business Index, November 2000*

TELSTRA SMALL BUSINESS INDEX

ATTITUDE TO TERRITORY GOVERNMENT



Source: Telstra Small Business Index, November 2000

Media Release

Sales and profit fall lead to decline in Northern Territory small business confidence

- *Business confidence falls*
- *Sales declines, recovery expected to be lower than the national trend*
- *Profits and sales drop, recovery expected to be less than the national trend*
- *Business investment expected to remain weak*
- *Territory Government remains the most popular in the country*

A major fall in profitability and sales has contributed to a fall in confidence among small businesses in the Northern Territory, according to the latest Yellow Pages® *Business Index – Small and Medium Enterprises*.

The *Index*, found less than half the Territory's small businesses (49%) confident about their business prospects, compared with just under a quarter (24%) that were worried. This resulted in a net balance of 25% that were confident, ten percentage points below August 2000 levels.

Commenting on the findings, Mr Steven Shepherd, Senior Economist at Pacific Access and author of the *Index*, said this was the fourth successive quarter of a confidence decline in Northern Territory small businesses.

"Since February this year, small businesses throughout the Territory have shown a steady decline in confidence levels, from a net balance 49% through to current levels of 25% net balance. Since August, sales have also fallen significantly, from negative two percent in August to negative 10% for this *Index*.

"The biggest fall, however, has been in small business profitability, which is obviously of some concern. This dropped in the last quarter by 24 percentage points – from negative five percent to negative 29%.

"Of course, this all points to a slowing down of the economy in the Northern Territory, and this seems to be the perception of small businesses within the region, who have also shown a real drop in their business investments. In the last quarter, a net balance of seven percent of small businesses planned to increase their capital expenditure, compared to a net balance of negative 18% in November. Projections in capital expenditure are also low, at a net balance for all small and medium businesses (SMEs) of negative 17%," he said.

The economy

Along with Western Australia, the Northern Territory's SMEs had the second most negative outlook of the current economic climate, with only 19% believing the economy to be growing and 38% believing it was slowing. This resulted in a net balance result of negative 19%. Only Victoria, at a net balance of negative 23%, produced a lower finding.

In looking at the economy in a year from now, the Northern Territory showed a slight improvement, with just over one quarter (26%) believing it would be better and 23% believing it would be worse. This resulted in a positive net balance of three percent.

Attitudes to State Government policies

As with the last *Index* in August this year, the Northern Territory Government remained by far the most popular of all state and territory governments. More than one-third of SMEs believed the Territory Government's policies supported small business, while only 17% thought these policies worked against them. This was well up on state and territory government support throughout the rest of Australia, and highlighted a feeling among small businesses in the Northern Territory that the Territory Government is both supportive and interested in small business.

Capital expenditure

Capital expenditure across small businesses fell sharply in the over the past quarter, with a drop from a positive seven percent in August to negative 18% in the current quarter.

"The sharp downward spike in capital expenditure for Northern Territory small businesses could certainly be as a result of the drop in sales and profits. Positively, there is some expectation for improved capital expenditure in the next quarter, with 41% of small businesses expecting to increase their investment spend," Mr Shepherd said.

NATIONAL RESULTS

Confidence levels across Australian small businesses fell sharply over the last quarter, with just over half of all small businesses optimistic about their future, according to the latest Yellow Pages® *Business Index – Small and Medium Enterprises*.

The research found 53% of small businesses were confident in their prospects for the next 12 months and 23% worried. This reflected a net balance of 30%, well below the 42% net balance recorded in the August *Index* and approaching the second lowest level ever recorded in the pre-GST May 2000 *Index*. Medium businesses – included in the *Index* for the first time – were markedly more confident. This was reflected in the 54% net balance of medium businesses confident about their future prospects.

Commenting on the findings, Mr Steven Shepherd, Senior Economist at Pacific Access and author of the *Index*, said a dramatic fall in sales and profits over the last quarter, along with fears of an economic "slow down", had hampered confidence across the small and medium enterprise (SME) sector.

"The previous *Index*, in August 2000, found confidence surging among small businesses. It seems now that a massive slump in sales and profits, along with pessimism about the economy, has led to a real fall in confidence.

"While the August *Index* found sales improving among small businesses, the current *Index* found a fall in the net balance from positive six percent to negative 20%. Medium businesses, while less likely to report a decline in sales, still recorded low figures (a net balance of negative seven percent). These results seem to point to an economic 'slow down' or 'harder landing', according to SMEs. Impacts such as Goods and Service Tax (GST) compliance costs and the depreciation of the Australian dollar led 35% of SMEs to believe the economy was heading into a slow growth phase.

"However, 44% of SMEs also predicted an increase in sales for the next quarter, reflecting perhaps an optimism for the Christmas period. This resulted in a positive net balance of 25%, despite some perceived major problems facing SMEs in the current quarter, including a lack of work (cited by 18% of SMEs), state government regulations (10%), lack of cash flow (nine percent) and the general economic climate (nine percent).

"This optimism is also despite a massive drop in small business profitability, with only 22% of small businesses reporting an increase in profits and 47% reporting a decrease. This resulted in a net balance of negative 25%, well below the negative 2% recorded in August. Medium businesses also had negative profitability, with a net balance of negative 13%," he said.

The Goods and Service Tax (GST)

The majority of SMEs (54%) believed GST implementation had been "easy", while 42% found the transition difficult, resulting in a net balance of 12% in support. More regional businesses (28%) found GST implementation to be easy, compared with metropolitan businesses (seven percent). Key reasons for finding the new system difficult to implement included the time required, the amount of paperwork and complexity.

Larger businesses found the GST more difficult to implement than smaller businesses. Overall, the majority of businesses had a relatively smooth GST transition, including setting new prices (68% believed this easy), communicating GST changes to customers (75%), compliance with Australian Competition and Consumer Commission pricing guidelines (71%) and training staff to deal with the GST (51%). The issue that stood out among SMEs as being difficult was changing accounting or record keeping systems, which 60% of SMEs found challenging.

In terms of their Business Activity Statements (BAS), a 55% majority believed they had an excellent or good understanding of the BAS, and roughly half of all SME proprietors were responsible for completing the BAS on behalf of their business.

About the Yellow Pages® *Business Index – Small and Medium Enterprises*

The Yellow Pages® *Business Index – Small and Medium Enterprises* is a quarterly series of surveys that track confidence and behaviour in the small and medium enterprise (SME) sector over the past three months; expectations over both the current three and 12-month periods; and measure overall confidence within the SME community. The Yellow Pages® *Business Index – Small and Medium Enterprises* can be downloaded from the media section of the Pacific Access web site from noon today, at www.pacificaccess.com.au.

For media interviews, please contact Steven Shepherd, Senior Economist, Pacific Access Pty Ltd. Ph: (03) 9246 4854 or 0409 631 040. For further information, please contact Samantha Evans, Public Affairs Manager (Media), Pacific Access Pty Ltd. Ph: (03) 9201 4258 or 0418 124 762.



CHIEF MINISTER

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The Hon Terry McCarthy MLA
Speaker of the Legislative Assembly
GPO Box 3721
DARWIN NT 0801

Dear Mr Speaker

In response to your letter regarding the matter of privilege, I enclose a draft of the motion I would intend to move.

It is clear, I would suggest, that the Member for Fannie Bay quite deliberately produced the graph in the parliament yesterday as the product of the Small Business Index.

That is not true. The graph does not appear in the Small Business Index report and was in fact prepared within the Office of the Leader of the Opposition.

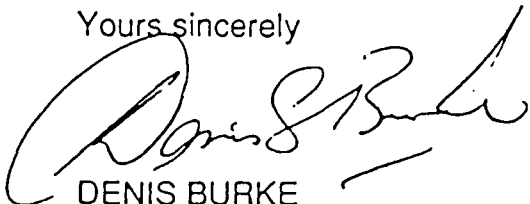
Further, the Member has used incorrect or unrelated figures to construct the graph in order to show that small business confidence in the government has fallen dramatically.

In doing so she has presented to the House "forged, falsified or fabricated documents with intent to deceive" and further she has made a "deliberately misleading statement".

I would refer you to Page 699 of Pettifers (*attached).

I would seek to expand on these matters during the course of the debate in the parliament.

Yours sincerely



DENIS BURKE



Northern Territory Government

I move

That the action of the Member for Fannie Bay in presenting to this House on 29 November 2000 what she purported to be a graph prepared by the *Yellow Pages Business Index – Small and Medium Enterprises* could be a contempt of this parliament in that it was

- A forged, falsified or fabricated document with intent to deceive; and
- A deliberately misleading statement.

And that the matter be referred to the Privileges Committee.

SIGNED:

Forged or falsified documents

It is a contempt to present or cause to be presented to either House or to a committee forged, falsified or fabricated documents with intent to deceive.¹¹¹

In 1907, a committee of the House of Representatives reported that signatures to a petition were found to be forgeries and the House 'requested' the Crown law authorities to take action with a view to criminal prosecution. The House was later advised, however, that prosecution for forgery would be unsuccessful.¹¹² In 1974, a letter published in a newspaper in the name of a Member was found by the Committee of Privileges to be a forgery and therefore appeared to constitute a criminal offence. As the author of the letter was unknown, no legal action could be taken.¹¹³

Conspiracy to deceive

To conspire to deceive either House or committees of either House could be punished as a contempt. The abuse of the right of petition and forging or falsifying documents could be examples of this type of contempt.

Deliberately misleading the House

May states:

The Commons may treat the making of a deliberately misleading statement as a contempt. In 1963 the House resolved that in making a personal statement which contained words which he later admitted not to be true, a former Member had been guilty of a grave contempt.¹¹⁴ (*Profumo's Case*, CJ (1962-63) 246)

The circumstances surrounding the decision of the House of Commons in *Profumo's Case* are of importance because of the guidance provided in cases of purported 'misrepresentation' by Members. Mr Profumo had sought the opportunity of making a personal statement to the House of Commons to deny the truth of allegations currently being made against him. Later he was forced to admit that in making his personal statement of denial to the House, he had deliberately misled the House. As a consequence of his actions, he resigned from the House which subsequently agreed to a resolution declaring him guilty of a grave contempt.

Whilst claims that Members have deliberately misled the House have been raised as matters of privilege or contempt in the House, the Speaker has not, to date, accepted such a claim.

On 16 September 1986 Speaker Child advised the House that she had appraised a statement to the House on 22 August by a Member, following her reference to remarks critical of her attributed to the Member. The Speaker, having examined the transcripts of the remarks in question, and comparing them to the Member's statement to the House, claimed that he had misled the House and this action, in her opinion, constituted a contempt of the House. The Member then addressed the House on the matter. The Chairman of Committees then moved a motion to the effect, *inter alia*, that the Member's statement to the House on 22 August 'being clearly at odds with his original comments, misled the House, and thus constitutes a contempt of the House . . .'. After debate, and the Member having again withdrawn the remarks to which attention had been drawn,

¹¹¹ May, p. 118.

¹¹² VP 1907-08/165, 267.

¹¹³ 'Report relating to a letter fraudulently written in the name of the Honourable Member for Croy published in the Sun-News Pictorial on 6 December 1973', *House of Representatives Committee of Privileges*, PP 65 (1974); VP 1974/94.

¹¹⁴ May, p. 119.

APPENDIX "F"

**LETTER TO
CHIEF MINISTER, THE HON. D.G. BURKE, MLA
DATED 11 DECEMBER 2000**



Legislative Assembly of the Northern Territory

Committee of Privileges

• ABN 84 085 734 992
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Facsimile: (08) 8981 6158
e-mail: ian.mcneill@nt.gov.au

GPO Box 3721
DARWIN NT 0801

11 December 2000

Ref.: 2000/00260

The Hon DG Burke, MLA
Chief Minister
Parliament House
DARWIN NT 0800

Dear Chief Minister

Inquiry by Committee of Privileges

You will be aware that on Thursday 30 November the Legislative Assembly upon your motion resolved to refer the following matter to the Committee of Privileges for inquiry and report:

That the action of the Member for Fannie Bay (Ms Martin) in presenting to this House on 29 November 2000 what she purported to be a graph prepared by the *Yellow Pages Business Index - Small and Medium Enterprises* could be a contempt of this Parliament in that it was—

- A forged, falsified or fabricated document with intent to deceive; and
- A deliberately misleading statement.

It is advised that the Committee has met and commenced its inquiry. In the conduct of the inquiry the Committee is bound to follow the procedures contained in the Resolution of the Assembly dated 23 May 1996 entitled *Privileges Committee - Witness Protection Procedures*. A copy of that Resolution is attached (Attachment A).

The Committee seeks to gain all relevant information from the persons involved in relation to the matter before it.

In order that the Committee has access to all relevant information and documents in the conduct of this inquiry you are invited to submit any further relevant information or documents to the Committee.

It is advised that the Committee has recorded the receipt of the following documents, copies of which are attached:

- Letter from the Chief Minister to the Speaker dated 30 November 2000, together with attachments, advising of intention to raise a matter of privilege (Attachment B).
- Letter from the Chief Minister to the Speaker dated 30 November 2000 providing further and better particulars to the above letter (Attachment C).
- Extract of the *Daily Hansard* dated 30 November 2000, pages 29 to 37, which contain the debate on the motion for the reference of the matter to the Committee of Privileges (Attachment D).

It is further advised that upon receipt of any further materials which you may wish to submit to the Committee, in accordance with the Resolution of the Assembly dated 23 May 1996, the Committee proposes to inform the Leader of the Opposition, Ms Clare Martin, MLA, in writing, of the nature of the allegations, known to the Committee and relevant to the Committee's inquiry, against her, and of the particulars of any relevant evidence.

The Committee would be grateful if you could respond to this invitation by cob Friday 22 December 2000.

Yours sincerely

(signed) MICK PALMER
Chairman

APPENDIX "G"

**LETTER TO
LEADER OF THE OPPOSITION, MS C.M. MARTIN, MLA
DATED 28 DECEMBER 2000**



Legislative Assembly of the Northern Territory

Committee of Privileges

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GPO Box 3721
DARWIN NT 0801

28 December 2000

File: 2000/00260

Ms CM Martin MLA
Leader of the Opposition
Parliament House
DARWIN NT 0800

Dear Ms Martin

Re: **INQUIRY — COMMITTEE OF PRIVILEGES**

You will be aware that on Thursday 30 November the Legislative Assembly resolved to refer the following matter to the Committee of Privileges for inquiry and report:

That the action of the Member for Fannie Bay (Ms Martin) in presenting to this House on 29 November 2000 what she purported to be a graph prepared by the *Yellow Pages Business Index - Small and Medium Enterprises* could be a contempt of this Parliament in that it was—

- A forged, falsified or fabricated document with intent to deceive; and
- A deliberately misleading statement.

It is advised that the Committee has met and commenced its inquiry. In the conduct of the inquiry the Committee is bound to follow the procedures contained in the Resolution of the Assembly dated 23 May 1996 entitled *Privileges Committee - Witness Protection Procedures*. A copy of that Resolution is attached (Attachment A).

It is advised that the Committee has recorded the receipt of the following documents, copies of which are attached:

- Letter from the Chief Minister to the Speaker dated 30 November 2000, together with attachments, advising of intention to raise a matter of privilege (Attachment B).
- Letter from the Chief Minister to the Speaker dated 30 November 2000 providing further and better particulars to the above letter (Attachment C).
- Extract of the *Daily Hansard* dated 30 November 2000, pages 29 to 37, which contain the debate on the motion for the reference of the matter to the Committee of Privileges (Attachment D).

In order to gain all relevant information from the persons involved in the matter before it, the Committee resolved to seek a submission of further relevant information or documents from the Chief Minister. The response of the Chief Minister, dated 22 December 2000, is attached for your information (Attachment E, including Attachments Nos 1-10).

Paragraphs (1) and (2) of the Resolution of the Assembly, dated 23 May 1996, states:

- (1) A person shall, as soon as practicable, be informed, in writing of the nature of any allegations, known to the Committee and relevant to the Committee's inquiry, against the person, and of the particulars of any evidence which has been given in respect of the person.
- (2) The Committee shall extend to that person all reasonable opportunity to respond to such allegations and evidence by:
 - (a) making written submission to the Committee;
 - (b) giving evidence before the Committee;
 - (c) having other evidence placed before the Committee; and
 - (d) having witnesses examined before the Committee.

Accordingly, the Committee has also resolved to invite you to make a written submission to the Committee on the above matters.

The Committee would be grateful if you could respond to this invitation by cob Friday 19 January 2001.

Yours sincerely

(signed) **MICK PALMER**
Chairman

Encl.

APPENDIX "H"

**SUBMISSION
BY
THE HON. D.G. BURKE, MLA
CHIEF MINISTER**



CHIEF MINISTER

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22 DEC 2000

The Hon Mick Palmer MLA
Chairman
Committee of Privileges
Legislative Assembly of the Northern Territory
Parliament House
DARWIN NT 0800

Dear Mr Chairman

I refer to your letter of 11 December 2000 relating to the Committee's inquiry into the actions of the Member for Fannie Bay pursuant to my motion in the Legislative Assembly of 30 November.

I attached a number of documents, which I believe are most relevant to the matter along with an explanation as to their relevance.

Yours sincerely

DENIS BURKE



Submission to the Committee of Privileges re Member for Fannie Bay

The case

I put it to the Committee, as I did to the Legislative Assembly on November 30, 2000, that the Member for Fannie Bay deliberately misled the parliament by

- (a) claiming a graph, allegedly from the Telstra (sic) small business report, showed a dramatic decline in small business support for the Territory Government's policies, and
- (b) deliberately used the wrong figure from the November 2000 report of the *Yellow Pages Business Index, Small & Medium Enterprises* to substantiate her claim.

The truth is the graph was neither from the "Telstra small business report" nor from the *Yellow Pages Business Index, Small & Medium Enterprises* but rather was concocted in the Office of the Leader of the Opposition and Member for Fannie Bay.

The truth is the figure used by the Member for Fannie Bay to substantiate her claim that support had fallen was not an accurate one. It was not a figure that related in anyway to whether small business believed the Territory Government's economic and other policies were supportive of small business or not.

The figure she used related to a different question and surveyed a substantially changed grouping and could not in any way be used as a trend figure building on previous reports of the then *Yellow Pages Small Business Index*. The author of the November report of the *Yellow Pages Business Index, Small & Medium Enterprises* has confirmed this is the case.

The background

In the Legislative Assembly on November 29, 2000, the Member for Fannie asked the Minister for Industries and Business whether he had had a chance to read the Telstra (sic) small business index report.

She went on:

"When Denis Burke became Chief Minister the government had the support of a net 55% of small businesses – and I refer to the graph. February 1999. That has now slipped to 17% and it is worth noting the graph, down here, record low."

She continued:

"Would the Minister like to explain to Territorians why the Government's popularity with small business is at its lowest ever level or why small business confidence has plummeted since Chief Minister Burke and Deputy Reed have been steering the Territory's economy?"

The graph (*as per your Attachment B*) she referred to was later tabled in the Legislative Assembly as was a spreadsheet (**Attachment 1*) upon which the graph was allegedly based. Both documents were prepared within the Office of the Leader of the Opposition and are not publications of the Yellow Pages Business Index, Small & Medium Enterprises.

The clear inference or implication of her remarks in the Assembly during Question Time was that the graph was a product of the Yellow Pages Business Index. Further the media reports of the issue indicate that was what they believed. The NT News reported on November 30 (**Attachment 2*):

"Quoting the latest Telstra small business index, Ms Martin attacked the perception that the Government was popular. She said: 'When Denis Burke became Chief Minister, the Government had the support of a net 55 per cent of small businesses. That has now slipped to 17 per cent'."

Channel 8 News of November 29 reported both the Member for Fannie Bay and showed the graph, which any reasonable person viewing the report would have taken as showing the graph came from the Business Index and that the Member for Fannie Bay was commenting on it because it was such a publication. (**Attached is a VCR recording of the Channel 8 news – attachment 3*).

Even if one accepts that the Member for Fannie Bay did not intend to mislead by claiming the graph was a Yellow Pages Business Index, Small & Medium Enterprises publication, she has misled by using a false figure to manufacture the graph. She has in fact fabricated the document in order to deceive the parliament.

The facts

The November 2000 Yellow Pages Business Index, Small & Medium Enterprises makes it clear on Page 2 (**Attachment 4*) in the Introduction that the "Index has been enhanced significantly. Because of these changes, its name has been changed from Yellow Pages Small Business Index to reflect the inclusion of medium business within the research."

The Introduction of the report noted that there were other significant changes including an expansion of the sample size by 50%, a broadening of the regional sample and an expansion of the range of businesses included.

Under the heading *About this survey* on Page 3 (**Attachment 5*), the report again notes how the survey has been extended beyond small businesses to include medium business and warns about using the information for long-term trends.

Then on Page 4 (**Attachment 6*) under the heading *Executive Summary* the report noted:

"Of all state governments, the Northern Territory remained the most popular with the small (and medium) enterprise community".

Turning to the actual *Assessment of State Government Policies* on Page 20 of the November report (**Attachment 7*), a number of issues should be noted. The remarks begin with *"Businesses in the Northern Territory remained the most positive about their Government's policies with respect to small business ..."* Yet according to the Member for Fannie Bay and her graph this had fallen to a net 17% a drop of 23 points. If the Member for Fannie was accurate why didn't the authors of the report comment on so significant a fall? On the contrary they continued to praise the position of the Territory Government in relation to its support from small businesses.

The answer lies in the other points to be noted on Page 20 of the report. The graphic on the page is headed *"Impact of State or Territory policies – SMEs"*. As noted earlier, this is a survey of a new grouping incorporating both small [S] and medium [B] businesses. It is not comparative with the figures of previous reports which were limited to small businesses only.

Secondly the question in the November 2000 Report is stated to be

Q. Thinking about your state or territory government – do you believe that its economic and small business policies are likely to have a positive, negative or no effect on your business?

In previous reports the question reported on said:

"...and overall do you believe that your state (or Territory) government's economic and other policies are supportive of small business, work against small business or have no real impact either way?"

The questions are noticeably different and could be expected (and did) elicit different replies. While one seeks to find out the likely effect of policies, the other asks whether they are supportive or not.

The third point to note is the very different graphic portrayed by the November 2000 report compared with previous issues (**See Attachments 8a, 8b, 8c, 8d for the relevant page from the previous four reports of the Yellow Pages Small Business Index.*)

Finally, there is the press release published by the Yellow Pages Business Index to coincide with its November 2000 publication (*as per your Attachment B*). While it commented on some of the disappointing results in the index as regards

business in the Territory on the subject *Attitudes to State Government policies*, it said:

"As with the last Index in August this year, the Northern Territory Government remained by far the most popular of all state and territory governments."

Surely any one of the preceding points would have been a sufficient warning for the Member for Fannie Bay to reassess her interpretation of the figures. Instead she deliberately ignored them in order to deliberately mislead the parliament.

The Government – and in the first instance the Treasury's Economic Services Division – noted these significant changes in the preparation of the Index and sought clarification from the Yellow Pages Business Index. Following a telephone conversation, a statement of facts was faxed to the author of the report Steven Shepherd and he was asked to sign off on it. He did so (**Attachment 9*).

Following the debate in the Assembly I sought further confirmation from Mr Shepherd concerning the following points:

- Whether the questions were different,
- Whether the attitude of small business had declined or not, and
- Whether it was possible to compare the results that appeared on Page 20 of the November 2000 Report with those of previous reports.

Mr Shepherd again confirmed (**Attachment 10*) that the questions were different, that the same level of small business regarded the Territory Government's policies as supportive in November as had in the August survey, and that it was only possible to make comparisons by using the same question from each survey.

In the debate in the Legislative Assembly on whether this matter should be referred to the Privileges Committee the Deputy Leader of the Opposition and Member for Nhulunbuy said:

"If that graph is true to the figures provided in the survey, the Yellow Pages survey, as I believe it to be, where is his (the Chief Minister's) case for fraud or for misleading the media or for misleading the House?"

And again:

"Now if the Chief Minister was able to prosecute a case, he would show very clearly where the graph was misleading from the information provided within the Yellow Pages."

I would maintain that the facts as I outlined them in the parliament and have substantiated in this document with its attachments have shown the graph to be untrue and misleading and that therefore - using the Member for Nhulunbuy's own logic – the Member for Fannie Bay is guilty of a breach of privilege.

Conclusion

On the evidence I would suggest the committee is left with only two possibilities:

1. The Member for Fannie Bay is guilty of a monumental folly in being unable to assess the information provided in reports and as a result of this stupidity misled the Legislative Assembly both on November 29 during Question Time and again on November 30 during the debate on the reference of this matter to the Committee, or
2. She deliberately misled the Legislative Assembly knowing full well she was using figures that were non comparative. That she in fact presented "forged, falsified or fabricated documents with intent to deceive".

It is my contention that the Member for Fannie Bay is neither stupid nor so gullible that she would accept any figures/graphs/ statements provided to her by third parties without checking their accuracy. It is my submission that she made a deliberately misleading statement to the parliament and provided a fabricated document to back up that falsehood. Whether she also conspired with others to deceive the Legislative Assembly is a matter for the Committee.

To suggest that such actions should be ignored is to treat the whole of the parliament with contempt. I believe it is incumbent on any member of the parliament to raise such a deliberate contempt and breach as has occurred here.

I submit that the situation outlined in this document along with its attachments and the information the committee has already received are sufficient to show a contempt as outlined by Pettifers under the headings *Forged or falsified documents* and *Deliberately misleading the House* in the extract the Committee already has (*as per your Attachment C*). I would respectfully submit that such a contempt is a breach of privilege.

The Member for Fannie Bay deliberately misled the parliament by

- (c) claiming a graph, allegedly from the Telstra (sic) small business report, accurately reflected a decline in small business support for the Territory Government's policies, and
- (d) deliberately used the wrong figure from the November 2000 report of the *Yellow Pages Business Index, Small & Medium Enterprises* to substantiate her claim.

ATTACHMENT 1

Telstra Small Business Survey

Nov-97

Feb-98

May-98

Aug-98

Nov-98

Confidence over next 12 mths

Positive		80	62	65	68
Negative		13	16	12	19
Net		67	46	53	49

Perceptions of Economy

Now
Growth
Recession
Net
A year from Now
Growth
Recession
Net

ORIGINAL PAPER
No. 2259
Laid upon the Table
30/11/00

Toyne
PAPER TABLED
30/11/00
CLERK: [Signature]

Attitudes to Government

Supportive
Work Against
No impact
Net

54 35 43 46

*Actual Experience qtr beginning:**Sales Value*

Increase	33	39	56	39	30
Decrease	39	35	12	32	33
Net	-6	4	14	7	-3

Workforce

Increase	19	24	24	15	11
Decrease	11	17	14	25	14
Net	8	7	10	-10	-3

Wages Bill

Increase	21	30	35	22	15
Decrease	23	18	10	17	16
Net	-2	12	25	5	-1

Prices

Increase	17	20	26	20	20
Decrease	9	12	7	8	6
Net	8	8	19	12	14

Profitability

Increase	34	36	48	37	24
Decrease	37	34	12	30	24
Net	-3	2	36	7	0

Feb-99	May-99	Aug-99	Nov-99	Feb-00	May-00	Aug-00	Nov-00
82	64	67	71	67	60	55	49
8	9	18	12	18	16	20	24
74	55	49	59	49	44	35	25
42	40	35	47	48	22	27	19
2	4	1	2	5	18	16	38
40	36	34	45	43	4	11	-19
37	26	36	37	24	31	38	26
6	16	18	10	21	32	14	23
31	10	18	27	3	-1	24	3
55		57	56	62	54	48	34
7		13	8	15	6	8	17
38		30	36	24	40	44	49
48	51	44	48	47	48	40	17
38	35	55	39	37	40	33	
40	29	23	26	41	42	45	
-2	6	32	13	-4	-2	-12	
20	11	12	12	9	15	8	
13	17	16	23	9	9	14	
7	-6	-4	-11	0	6	-6	
19	19	36	24	18	31	23	
16	19	13	15	22	22	19	
3	0	23	9	-4	9	4	
16	12	20	14	24	40	32	
5	8	8	2	9	10	8	
11	4	12	12	15	30	24	
37	35	46	30	27	33	23	
31	29	21	27	41	38	52	
6	6	25	3	-14	-5	-29	

Telstra Small Business Survey

Nov-97 Feb-98 May-98 Aug-98 Nov-98

Capital Expenditure

Increase	33	27	34	25	21
Decrease	23	26	18	24	24
Net	10	1	16	1	-3

*Expectations for Qtr beginning:**Sales Value*

Increase		67	61	48	26
Decrease		5	4	6	30
Net		62	57	42	-4

Workforce

Increase		33	25	12	13
Decrease		3	4	5	8
Net		30	21	7	5

Wages Bill

Increase		44	34	22	17
Decrease		6	7	7	14
Net		38	27	15	3

Prices

Increase		22	28	27	17
Decrease		2	2	2	2
Net		20	26	25	15

Profitability

Increase		58	57	48	34
Decrease		5	4	11	28
Net		53	53	37	6

Capital Expenditure

Increase		31	34	26	18
Decrease		20	29	19	28
Net		11	5	7	-10

Feb-99	May-99	Aug-99	Nov-99	Feb-00	May-00	Aug-00	Nov-00
26	22	31	27	28	28	19	
20	27	22	27	22	21	37	
6	-5	9	0	6	7	-18	
75	61	52	40	57	44	37	43
2	6	12	20	7	24	22	31
73	55	40	12	50	20	15	12
32	19	14	14	23	18	13	17
2	4	7	11	5	9	8	10
30	15	7	3	18	9	5	7
38	30	20	22	30	25	29	24
3	5	11	17	8	9	13	17
35	25	9	5	22	16	16	7
22	16	16	15	31	55	27	26
0	2	5	6	3	0	4	1
22	14	11	9	28	55	23	25
66	58	49	41	55	39	41	41
3	8	10	28	7	23	28	29
63	50	39	13	48	16	13	12
31	29	32	18	40	32	29	13
19	14	29	33	17	29	32	29
12	15	3	-15	23	3	-3	-16

ATTACHMENT 2

NAAFIAS has been pursuing court action seeking an order that the appointment of Mr Bradley was invalid.

In recent seasons he rode mainly for his brother-in-law, Danny Lenz. His funeral will be held on Monday.

Justice Trevor Ruley said: "The weapons (a metal bar and stick) were less dangerous than a gun or knife but were

The court heard the juvenile put on an "Uncle Fester" mask and wore green mechanic's overalls.

He 13.1: "This is a stick-up"
10.1 10.1 the attendant to

He sentenced him to two years, six months' detention to be released after serving six months on a \$500 bond to be of good behaviour for two years.

ROH prosthetist Thomas Bernane with patient Judith McArtney. Picture: ROHAN KELLY

view of the business sector had the strongest support in Australia.

"Given those circumstances you would expect their confidence would be denied."

He was sentenced to three months jail, suspended on the home detention, which will finish on December 24.

Docs tackle 'epidemic'

By PENNY BAXTER

A new treatment for diabetic foot disease could halve the number of amputations in the Territory.

Royal Darwin Hospital general surgeon Professor Ian O'Rourke said the number of amputations at the foot clinic had dropped from 13 cases a year to two this year.

Professor O'Rourke said there was an epidemic of diabetic foot disease in the Territory which needed to be treated by a new combined approach.

He said 127 people had been treated for major foot complications such as ulcers, gangrene and infection at the clinic since it opened three years ago.

Of those patients, 29 needed amputations.

Professor O'Rourke said "But those 127 are only the tip of the iceberg. Of the 6000

Territorians diagnosed with diabetes about half will develop a foot disease.

"It is a modern epidemic."

Diabetes affects nerve cells or blood vessels in the legs, making the legs go numb. In

chronic cases poor circulation can cause gangrene and the leg has to be amputated

Professor O'Rourke said the combined work of a diabetes educator, endocrinologist, surgeon and podiatrist at the foot clinic will help prevent amputations.

Professor O'Rourke said the combined approach was vital for early diagnosis, prevention and treatment.

He said: "We have to all work together. If one of the cogs in the wheel is missing it won't work."

He is the work of orthotist Thomas Bertram, who applies total contact casts to patients' feet, made sure they were given enough time to heal.

Mr. Benoit said 90 per cent of his patients agreed when the costs were distributed pro rata and that the ulcer are

Use 1
Curtain programs had
started in 1941, on Night-

Man more at the Page 25

ATTACHMENT 3

VCR RECORDING OF CHANNEL 8 NEWS 29 NOVEMBER 2000

ATTACHMENT 4

Introduction

The Yellow Pages® *Business Index – Small and Medium Enterprises* is an ongoing series of surveys tracking confidence and behaviour in Australia's small and medium enterprises (SMEs).

The primary objectives of the *Index* are to track small and medium business activity over the past three months; expectations over both the current three and 12-month periods; and to measure overall confidence among SMEs. A second purpose is to provide an independent, objective assessment of proprietors' experiences and attitudes on key issues.

For the November edition, the *Index* has been enhanced significantly. Because of these changes, its name has been changed from the Yellow Pages® *Small Business Index* to reflect the inclusion of medium businesses within the research. Other significant changes to the *Index* include:

- expansion of the sample size from 1200 to 1800;
- broadening of the regional sample, to provide a more accurate regional 'snapshot' of SME experiences and attitudes; and
- expansion of the sectoral breakdown to include businesses within the accommodation, cafes and restaurants, communication, health, community services, cultural and recreational industries.

These enhancements to the *Index* enable a broader scrutiny of the SME market, as well as a closer understanding of trends and issues relevant to this sector. In addition, it allows a more accurate examination of the differences in attitudes and experiences between regional and metropolitan SMEs, and between small and medium enterprises. Significantly, inclusion of medium size businesses means the *Index* is now reflective of the attitudes and behaviour of approximately 99 percent of the Australian business sector.

The *Index* is an initiative of Pacific Access as part of its commitment to this vital business sector. As one of Australia's leading online search, directories and media businesses - and as producers of the Yellow Pages® and White Pages™ print, voice and online directories - Pacific Access has close links with Australia's SMEs. Over 80 percent of its more than 400,000 customers around Australia are SMEs. Pacific Access also manages the leading Internet search engine, GOeureka™, and the location and navigation brand, Whereis™.



ATTACHMENT 5

About the Survey

Since its inception in 1993, the *Index* has been the most comprehensive and regular survey of small businesses in Australia. Historically, the *Index* has focused specifically on businesses employing 19 people or fewer. From this edition, the Yellow Pages® *Business Index – Small and Medium Enterprises* has been expanded to cover the medium business sector, while the regional and industrial sectors have also been enhanced.

The November *Index* results are based on telephone interviews conducted with 1,800 small and medium business proprietors. The sample size is divided between 1,200 small businesses and 600 medium businesses (the latter defined as businesses employing between 20 and 199 people). As a result of this first ever inclusion of medium businesses, long-term trends can only be shown for the small business sector in this report.

Businesses interviewed for this *Index* were drawn from all metropolitan and major non-metropolitan regions within Australia. Quotas were set on geographical location and type of business, in order to produce the standard sample structure shown opposite. Where replacement businesses are recruited, this sample structure is maintained.

At the analysis stage, results were weighted by selected ANZSIC divisions within the metropolitan and non-metropolitan region of each state or territory. This ensured the sample reflected the actual small business population distribution. The Australian Bureau of Statistics (ABS) Business Register, as at June 1998, was used to weight the sample to be representative of the total business population.

Interviewing for this latest survey was conducted over the period 18 October to 8 November 2000. The report covers experiences over the past three months (August 2000 to October 2000), and expectations for both the current quarter (November 2000 to January 2001) and the 12 months ending November 2001.

Special Questions

In addition to the key economic indicators, this *Index* examines in detail small business proprietors' attitudes and behaviour with respect to a range of specific issues, including the Goods and Services Tax (GST), interest rates and the Sydney 2000 Olympic Games.

Location of Business			
	Total	Metro	Non-Metro
New South Wales	300	240	60
Victoria	300	240	60
Queensland	300	165	135
South Australia	225	195	30
Western Australia	225	195	30
Tasmania	150	90	60
Northern Territory	150	90	60
A.C.T.	150	150	—
Total	1800	1365	435

Division	
Manufacturing	200
Building/Construction	250
Wholesale Trade	150
Retail Trade	250
Accommodation, Cafes & Restaurants	100
Transport/Storage	150
Finance and Insurance	100
Communication, Property & Business Services	300
Health and Community Services	150
Cultural, Recreational & Personal Services	150
Total	1800

ATTACHMENT 6

Executive Summary

The most critical finding of the November 2000 Yellow Pages® *Business Index – Small and Medium Enterprises* is a downturn in business confidence within the Australian small enterprise sector. Lack of historical data for medium enterprises means similar confidence comparisons for this sector are not possible.

Other key findings from this *Index* are included in the following three sections of this Executive Summary:

1. Historical trends for small enterprises and highlights for small and medium enterprises (SMEs);
2. Major out-takes as a result of enhancements to this *Index* (small versus medium enterprises; metropolitan versus regional; industry comparisons); and
3. Business Cycle analysis based on the findings from this *Index*.

Small enterprise historical trends and SME highlights

- Business confidence, and perceptions of the current state and future direction of the economy all declined during the past quarter;
- Sales performance dropped sharply during the past quarter (influenced in part by the Olympics), but is expected to rebound in the current quarter;
- In order of importance, major problems confronting Australian SMEs included a lack of work, government regulations, cash flow and the general economic climate;
- The decline in small business proprietors' expectations for their own businesses reflected an anticipated decline in business activity, the impact of the Goods and Services Tax (GST) and recent depreciation of the Australian dollar;
- Key business indicators experiencing a downturn over the past quarter included sales, wages growth, capital expenditure and profitability;
- There was a marginal improvement in the Federal Government's approval rating during the October quarter;
- Of all state governments, the Northern Territory remained the most popular with the small (and medium) enterprise community;
- More SME proprietors said GST implementation had been easy than difficult (indicating GST implementation had been relatively smooth);
- The most difficult aspect of the GST was changes required to accounting and record keeping systems;
- On the whole, more SMEs believed their understanding of Business Activity Statement (BAS) obligations to be good than not;
- SME proprietors were cited most frequently as the people who actually completed the BAS;
- Accountants and financial advisers were the primary sources of information for completion of the BAS;
- More businesses identified the Olympics as having a negative impact on sales, rather than a positive impact. This trend was particularly noticeable among New South Wales businesses;
- However, the SME sector believed overwhelmingly the Olympics were great for the Australian economy;
- The vast majority of SMEs believed interest rates would rise over the next year; and
- The most likely impact SMEs expected from an interest rate rise was reduced company profitability.



ATTACHMENT 7

ASSESSMENT OF STATE GOVERNMENT POLICIES

Businesses in the Northern Territory remained the most positive about their Government's policies with respect to small business, with the next most favourable response shared between Tasmania and the ACT. The biggest improvers over the past quarter were Tasmania (a net balance increase of 21 percentage points) and Queensland (a net balance increase of 12 percentage points).

In the Northern Territory and Tasmania, the overwhelming reason behind this support was a view both governments were supportive and interested in small business. In Queensland, the predominant factor was the Government's ability to generate new jobs.

The most negative small business attitudes towards state and territory governments were split equally between New South Wales and Victoria. The most negative attitudes expressed by SMEs regarding the impact of state and territory governments on their own business, were aimed at the Victorian and New South Wales governments. In Victoria, the most significant individual factor cited for negative attitudes towards the Victorian State Government was increased workers' compensation costs. In New South Wales, there was a view the State Government did not understand the needs of small business.

Impact of State or Territory Government Policies - SMEs

Q. Thinking about your state or territory government - do you believe that its economic and small business policies are likely to have a positive, negative or no effect on your business?

Total	11%	68%	21%
New South Wales	10%	68%	22%
Victoria	9%	74%	17%
Queensland	16%	64%	20%
South Australia	13%	65%	22%
Western Australia	14%	62%	24%
Tasmania	15%	72%	13%
Northern Territory	34%	49%	17%
A.C.T.	23%	36%	41%

Positive No Effect Negative

SOURCE: Yellow Pages® Business Index
Sweeney Research - November 2000



ATTACHMENT 8a

ASSESSMENT OF STATE GOVERNMENT POLICIES

In no state is the assessment of state government policies positive. Only in the two territories are policies seen as supportive of small business.

Although small business proprietors consistently report that they vote mainly for coalition parties, the States receiving relatively positive assessments are the Bacon Labor Government in Tasmania and the new Bracks Labor Government in Victoria. Nevertheless, the Bracks Governments' negative assessment contrasts with the strong positive assessment of the former Kennett Government.

Among incumbent state and territory governments, the largest adverse swing in small business assessment was recorded for the New South Wales Government.

Victorian small business proprietors were asked how they voted in the September state election. Fifty-eight per cent of proprietors report that they voted for either of the Coalition parties. The responses suggest that the Coalition failed to attract undecided voters.

Almost half (45%) of small business proprietors believed that the election of a minority Labor government was "a bad outcome" for Victorian small business. Only 17% believed the outcome was "good". The most common reason for believing the outcome was bad, was that a "minority government is not good" or "makes government difficult".

Attitudes to State or Territory Government Policies - November 1999

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Supportive	5%	9%	9%	11%	11%	13%	56%	26%
Work against	30%	14%	18%	21%	20%	13%	8%	16%
No impact	65%	67%	72%	68%	68%	69%	36%	57%
Don't know	0%	9%	1%	0%	1%	5%	0%	1%
*Net Balance	-25%	-5%	-9%	-10%	-9%	0%	48%	10%

SOURCE Yellow Pages® Small Business Index
Sneehey Research - November 1999

Attitudes to State or Territory Government Policies - Trends in *Net Balance

	Nov 98	Feb 99	May 99	Aug 99	Nov 99
NSW	-17%	-17%	-13%	-16%	-25%
VIC	22%	30%	27%	20%	-5%
QLD	5%	8%	-8%	-6%	-9%
SA	-5%	-10%	-5%	-6%	-10%
WA	-10%	-7%	3%	-12%	-9%
TAS	2%	-10%	-12%	-11%	0%
NT	46%	48%	51%	44%	48%
ACT	-2%	-4%	-1%	3%	10%

SOURCE Yellow Pages® Small Business Index
Sneehey Research - November 1999

Voting Patterns - Victoria

	Intention		Actual
	Feb 99	Aug 99	Oct 99
Liberal	58%	58%	55%
National	0%	1%	3%
ALP	12%	13%	24%
Other	3%	8%	6%
Undecided/ Refused	25%	19%	13%

SOURCE Yellow Pages® Small Business Index
Sneehey Research - November 1999

ATTACHMENT 8b

ASSESSMENT OF STATE GOVERNMENT POLICIES

In every state, small business proprietors believe their state government's policies, on balance, work against small business. In contrast, in both the territories, proprietors believe their government policies are supportive.

Those in the Northern Territory are particularly positive.

Over the three months since the previous Index the governments in South Australia and Victoria have experienced the most significant decline in support.

Attitudes to State or Territory Government Policies - February 2000

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Supportive	8%	6%	16%	10%	13%	10%	62%	25%
Work against	22%	19%	18%	31%	19%	15%	15%	16%
No impact	71%	75%	66%	59%	68%	75%	24%	58%
*Net Balance	-14%	-13%	-2%	-21%	-6%	-5%	47%	9%

SOURCE: Yellow Pages® Small Business Index
Sweeney Research - February 2000

Attitudes to State or Territory Government Policies - Trends in *Net Balance

	Feb 99	May 99	Aug 99	Nov 99	Feb 00
New South Wales	-17%	-13%	-16%	-25%	-14%
Victoria	30%	27%	20%	-5%	-13%
Queensland	8%	-8%	-6%	-9%	-2%
South Australia	-10%	-5%	-6%	-10%	-21%
Western Australia	-7%	3%	-12%	-9%	-6%
Tasmania	-10%	-12%	-11%	0%	-5%
Northern Territory	48%	51%	44%	48%	47%
A.C.T	-4%	-1%	3%	10%	9%

SOURCE: Yellow Pages® Small Business Index
Sweeney Research - February 2000

ATTACHMENT 8c

ASSESSMENT OF FEDERAL GOVERNMENT POLICIES

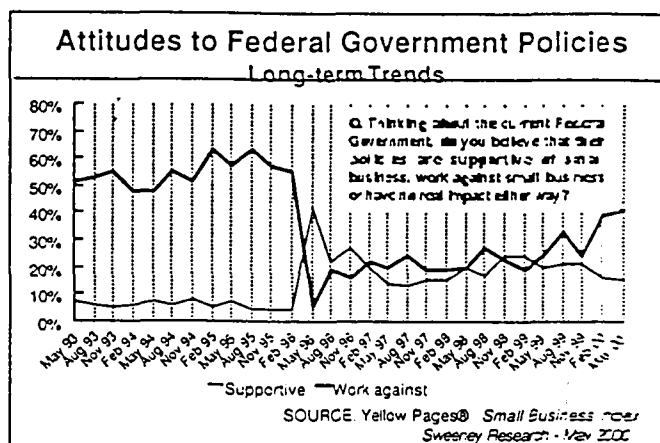
On balance, small business proprietors continue to believe that the Federal Government's policies work against them. More than four out of ten now believe that the policies work against them compared with only 15% who believe Government policies are supportive.

The net negative 26% is the worst assessment of Federal policies since the Howard Government was first elected.

Around two-thirds of those who believe the Government's policies to be working against the small business sector cite the GST as the primary reason.

-Attitudes to Federal Government Policies Past Five Quarters					
	May 99	Aug 99	Nov 99	Feb 00	May 00
Supportive	20%	21%	21%	16%	15%
Work against	24%	33%	24%	39%	41%
No impact	56%	46%	55%	46%	44%
Net Balance	-4%	-12%	-3%	-23%	-26%

SOURCE: Yellow Pages® Small Business Index
Sweeney Research - May 2000



ASSESSMENT OF STATE AND TERRITORY GOVERNMENT POLICIES

Many small business proprietors believe that State Government policies have no impact on the small business sector. In the Territories, this is less often the case. In both the Northern Territory and the ACT, proprietors are substantially more likely to see their Government as working for them rather than against.

In NSW and Western Australia, by contrast, proprietors are clearly more likely to see their Government as working against their interest.

In Victoria, Queensland and South Australia slightly more proprietors believe their State Government to be working against them rather than supporting them; in Tasmania the reverse is true.

Over the quarter, support for the South Australian, Tasmanian and Victorian governments improved strongly.

Attitudes to State or Territory Government Policies - Trends in *Net Balance					
	May 99	Aug 99	Nov 99	Feb 00	May 00
New South Wales	-13%	-16%	-25%	-14%	-18%
Victoria	27%	20%	-5%	-13%	-2%
Queensland	-8%	-6%	-9%	-2%	-4%
South Australia	-5%	-6%	-10%	-21%	-6%
Western Australia	3%	-12%	-9%	-6%	-11%
Tasmania	-12%	-11%	0%	-5%	6%
Northern Territory	51%	44%	48%	47%	48%
A.C.T.	-1%	3%	10%	9%	14%

SOURCE: Yellow Pages® Small Business Index
Sweeney Research - May 2000

Attitudes to State or Territory Government Policies - May 2000								
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Supportive	5%	13%	12%	13%	12%	19%	54%	30%
Work against	23%	15%	16%	19%	23%	13%	6%	15%
No impact	73%	73%	72%	68%	65%	68%	40%	55%
*Net Balance	-18%	-2%	-4%	-6%	-11%	6%	48%	14%

SOURCE: Yellow Pages® Small Business Index
Sweeney Research - May 2000

*Net balance is defined as the difference between the percentage with a positive attitude and the percentage with a negative attitude



ATTACHMENT 8d

ASSESSMENT OF FEDERAL GOVERNMENT POLICIES

Close to four out of ten small business proprietors believed the Federal Government's policies worked against them and only 20% believed they were supportive. However, the net balance of negative 18% was an improvement on the net negative 26% recorded in the May Index.

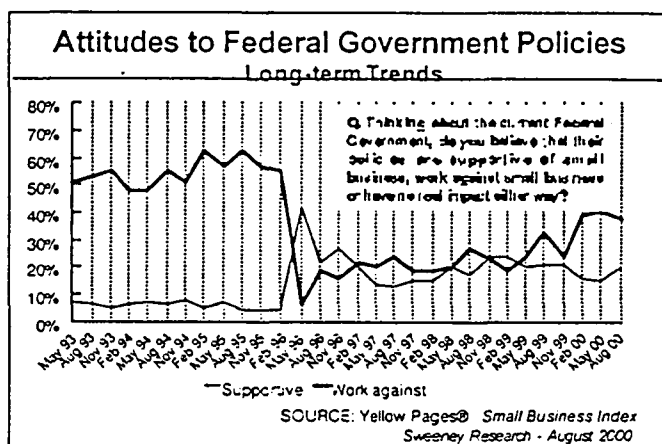
Despite the poor results in the last three *Indexes*, the current Coalition Government continued to be held in

higher esteem than the Labor Governments that were in power during the first three years of the *Index's* existence.

About four out of ten who had a negative view on the Government's policies cited aspects of the GST as the primary reason.

Attitudes to Federal Government Policies Past Five Quarters					
	Aug 99	Nov 99	Feb 00	May 00	Aug 00
Supportive	21%	21%	16%	15%	20%
Work against	33%	24%	39%	41%	38%
No impact	46%	55%	46%	44%	42%
Net Balance	-12%	-3%	-23%	-26%	-18%

SOURCE: Yellow Pages® Small Business Index
Sweeney Research - August 2000



ASSESSMENT OF STATE AND TERRITORY GOVERNMENT POLICIES

Businesses in the Northern Territory were most positive about their Government's policies with respect to small business. A net 40% believed their policies to be supportive. Proprietors in the ACT were also, on balance, positively disposed towards their Government.

By contrast, in all five mainland states, small business proprietors were more likely to believe that State Government policies worked against, rather than for small business interests. The Coalition Governments in South Australia and Western Australia were no more likely to be viewed positively than the Labor Governments in the other three mainland states.

Attitudes to State or Territory Government Policies - August 2000								
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Supportive	9%	12%	11%	8%	12%	17%	48%	28%
Work against	19%	18%	23%	14%	24%	16%	8%	14%
No impact	72%	70%	66%	78%	64%	67%	44%	58%
*Net Balance	-10%	-6%	-12%	-6%	-12%	1%	40%	14%

SOURCE: Yellow Pages® Small Business Index
Sweeney Research - August 2000

Attitudes to State or Territory Government Policies - Trends in *Net Balance					
	Aug 99	Nov 99	Feb 00	May 00	Aug 00
New South Wales	-16%	-25%	-14%	-18%	-10%
Victoria	20%	-5%	-13%	-2%	-6%
Queensland	-6%	-9%	-2%	-4%	-12%
South Australia	-6%	-10%	-21%	-6%	-6%
Western Australia	-12%	-9%	-6%	-11%	-12%
Tasmania	-11%	0%	-5%	6%	1%
Northern Territory	44%	48%	47%	48%	40%
A.C.T.	3%	10%	9%	14%	14%

SOURCE: Yellow Pages® Small Business Index
Sweeney Research - August 2000

*Net balance is defined as the difference between the percentage with a positive attitude and the percentage with a negative attitude



ATTACHMENT 9



Northern Territory Treasury Economic Services Division

FACSIMILE TRANSMISSION

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GPO Box 1974
DARWIN NT 0801

Street Address:

38 Cavenagh Street
DARWIN NT 0800

To:	Steven Shepherd	From:	Robin Laver
Organisation:	Pacific Access	Phone No:	(08) 8999 6546
Fax No:	(03) 92464751	Fax No:	(08) 8999 6446
Date:	30/11/00	No. of Pages:	(including cover sheet)
RE:	Yellow Pages Business Index		

Message:

Steven,

Thanks for your help on the phone this morning. I have the fax you sent confirming the Northern Territory survey results for the attitude to the Government's policies for November 2000.

I have another favour to ask of you. This morning I read a list of points to you over the phone and was pleased that you verified them (after pointing out some minor errors, which I have amended). I have reproduced the list below. Could you verify them in writing please (just by hand writing on the fax and returning it as on the previous occasion).

As I understand it:

- the Yellow Pages Business Index survey is based on a set of questions that are asked in each survey
- the survey is intended to chart trends over time based on answers to these questions
- the question which had been asked over a long period of time is

"Overall, do you believe your state or territory government's economic and other policies are supportive of small business or have no real impact either way?"

- the November 2000 survey results for the NTG for this question were unchanged at 40% support
- however, the results for this question were not published in the November report
- in the most recent survey (reported on 29/11/00), new questions were added
- one of the new questions was:

"Thinking about your state or territory government - do you believe that its economic and small business policies are likely to have a positive, negative or no effect on your business?"

- in relation to this new question, the survey reported that 17% of business thought that NTG policies worked against them but 34% thought that NTG policies worked for them
- the survey concluded that this level of support was well up on other governments and that the NTG remained by far the most popular of all state and territory governments

Many thanks

Steven Shepherd

Robin

SENIOR ECONOMIST
PACIFIC ACCESS.

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ATTACHMENT 10

004811
RECEIVED

15 DEC 2000

MINISTER'S OFFICE

15 December 2000

Chief Minister of the Northern Territory
Northern Territory Parliament
PO Box 3146
Darwin 0801
Northern Territory

Dear Chief Minister

This letter is to confirm the ranking of the Northern Territory Government from the November 2000 Yellow Pages[®] *Business Index*. While a number of additional questions on Federal and State Governments were added in the most recent *Business Index*, the only way to gauge the rating of the Northern Territory Government is by using the same question asked in previous surveys.

The wording of that question is as follows "and, overall, do you believe that your State (or Territory) Governments' economic and other policies are supportive of small business, work against small business or have no real impact either way?"

On the basis of that question the Northern Territory Government rated as follows during November 2000. In terms of being supportive, 53 percent of businesses stated that the Northern Territory Government's policies were supportive of the Northern Territory small business sector. In terms of businesses stating that the Northern Territory Government's policies work against the Northern Territory small business sector, 13 percent of respondents supported that view. The remaining 34 percent of businesses stated that the Northern Territory Government's policies had no impact either way. Therefore, the net balance of respondents was a positive 40 percent in support of the Northern Territory Government's policies towards small businesses.

This was identical to the result captured in the August *Index*, with a net positive balance of 40 percent. Earlier results were as follows: May 2000 - 48 percent, February 2000 - 47 percent, November 1999 - 48 percent and August 1999 - 44 percent. The Northern Territory Government's policies were the most strongly supported by the local small business community of any State or Territory Government in Australia, and has been the case for the past couple of years. During November the Tasmanian Government finished second behind the Northern Territory with a net positive rating of 31 percent.

I hope this clarifies the rating of the Northern Territory Government from the recent Yellow Pages[®] *Business Index*.

Yours sincerely,

Steven Shepherd
Senior Economist



APPENDIX "I"

**SUBMISSION
BY
MR S.J. STIRLING, MLA
DEPUTY LEADER OF THE OPPOSITION**



Parliament House
DARWIN NT 0800

**OFFICE OF THE
LABOR OPPOSITION LEADER**

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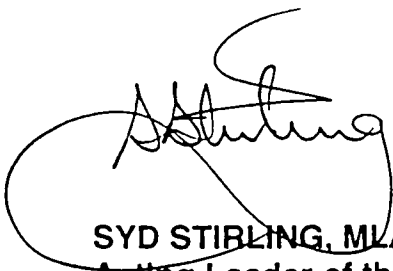
18 January 2001

Hon Mick Palmer, MLA
Chairman
Committee of Privileges
Legislative Assembly of the Northern Territory
Parliament House
DARWIN NT 0800

Dear Mr Chairman

Please find attached written submission to the Committee of Privileges as invited by your letter of 28 December 2000.

Yours sincerely



SYD STIRLING, MLA
Acting Leader of the Opposition

Submission to the Committee of Privileges

For this committee to successfully prosecute a contempt of Parliament it is necessary to meet the following standard of proof.

1. That Parliament was misled.
2. That the misleading was intentional.
3. That the misleading was intended to or likely to amount to improper interference with the authority or function of parliament or a Member.

The Member for Brennan's resolution to refer this matter to this Committee simply asks the Committee to find that the action of the Member for Fannie Bay in presenting to this House on 29 November 2000 what she purported to be a graph prepared by the Yellow Pages Index Small and Medium Enterprises could be a contempt of this Parliament in that it was:

- A forged, falsified or fabricated document with intent to deceive; and
- a deliberately misleading statement.

This is clearly not enough for the Committee to find a contempt under Section 5 of the Powers and Privileges Act "the Essential Elements of Offences".

Conduct including the use of words does not constitute an offence against the Assembly unless it amounts, or is intended or likely to amount to improper interference with the free exercise by the Assembly or a Committee, of its authority or function, or the free performance by a Member of the Members duty.

The graph in question titled Telstra Small Business Index attitude to Territory Government was produced by the Opposition Leader's office using data published in the source reports over time.

The information from the report used to update the existing spreadsheet for November 2000 appears at page 20 under a page heading Assessment of State Government Policies.

The data was extracted from a chart on page 20 titled Impact of State or Territory Government Policies – SMES.

The question asked is:

"Thinking about your State or Territory government – do you believe^{OF} that it's economic and small business policies are likely to have a positive, negative or no effect on your business?"

For the NT 34% were found to have a positive attitude, 49% maintained no effect and 17% believed there was a negative impact.

The net balance of those businesses believing that the NT government's policies were likely to have a positive effect on their business is derived by subtracting the percentage negative (17%) from the percentage positive (34%).

That net balance of 17% positive is shown clearly on the graph in question prepared by the Leader of the Opposition's office.

Previous reports contained the figures as on page 20 of the November 2000 report and also included the net balance figure. Other charts in the November 2000 document also contain a net balance figure.

Earlier reports again sometimes only showed a Net Balance Figure without the individual breakdown of the findings.

The figure of 17% has not been forged falsified or fabricated as alleged by the Member for Brennan. It can be readily derived from the chart on page 20 of the source document.

No allegation of forgery falsification or fabrication can be sustained simply because the raw data from the source document has been presented in the form of a graph.

The purpose of the Yellow Pages Business Index Small and Medium Enterprises is to provide an ongoing service of surveys TRACKING confidence and behaviour in Australia's small and medium enterprises.

Given that the report is designed to draw out trends over time it would be reasonable to expect the author to indicate where a question had altered even slightly.

In relation to the data on page 20 used in the graph no indication is given that a different question is being asked and no qualifier is made that the results are not comparable.

Previous reports asked "and overall do you believe that your State or Territory governments economic and other policies are

SUPPORTIVE of small business, WORK AGAINST small business or have NO REAL IMPACT either way.

The November 2000 report asked "Thinking about your State or Territory government – do you believe that its economic and small business policies are likely to have a POSITIVE, NEGATIVE or NO EFFECT on your business.

The question has changed "supportive" to "positive", "work against" to "negative" and "no real impact" to "no effect".

The question is still seeking to learn where the attitude of the business to government policy lies – either in the positive, the negative or no effect category and cannot, in the absence of any warning in the report to the contrary, be seen as a break in the trend series.

Qualifiers were made in the November report in respect of the inclusion of medium enterprises for the first time so that the lack of historical data for medium enterprises means similar confidence comparisons for this sector are not possible.

However, other results throughout the report show little difference to NT findings with the inclusion of medium enterprises.

It therefore appeared reasonable to use the November 2000 figures as part of the continuing series.

The chart on page 20 of the November 2000 report is clear:

N.T. 34% positive
49% no effect
17% negative leaving a net 17% positive view of the NT government economic and small business policies.

The follow up correspondence between the NT Treasury and the author Steven Shepherd supplied by the Member for Brennan does not question the validity of this chart.

Steven Shepherd is not asked to verify the findings in this correspondence.

He is asked to confirm that support for the NT government remained unchanged at 40% in response to the question asked in previous reports and asked in this survey, but not reported upon, and does so.

It was not however the question contained in the report at page 20 which showed a net 17% positive for the government. The Leader of the Opposition's office only had access to that information reported upon and it did so accurately.

If the Member for Brennan believes the findings in the chart at page 20 to be erroneous why is the finding not challenged in correspondence to the author.

CONCLUSION:

There is no substance to the Member for Brennan's allegations that the Member for Fannie Bay misled Parliament at all let alone intentionally or unintentionally and no material is put forward as evidence that the actions of the Member for Fannie Bay interfered with the free exercise of the Assembly or a Member.

Accordingly the Committee of Privileges has no option but to dismiss the alleged contempt of Parliament

ATTACHMENTS:

- a) page 20 November 2000
Yellow Pages Business Index

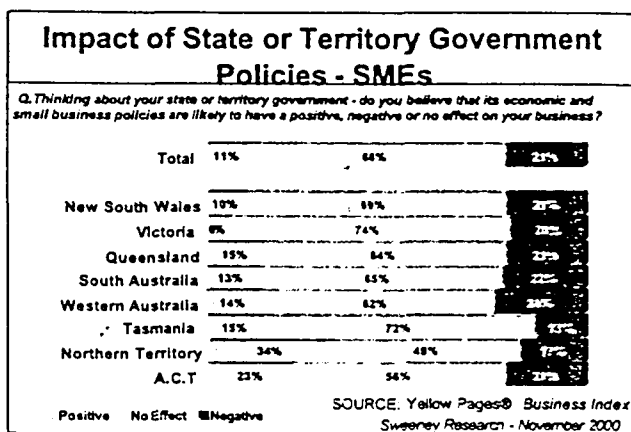
- b) graph prepared by the Office of the Leader of the Opposition
from data derived from page 20 November 2000 Yellow Pages
Business Index

ASSESSMENT OF STATE GOVERNMENT POLICIES

Businesses in the Northern Territory remained the most positive about their Government's policies with respect to small business, with the next most favourable response shared between Tasmania and the ACT. The biggest improvers over the past quarter were Tasmania (a net balance increase of 21 percentage points) and Queensland (a net balance increase of 12 percentage points).

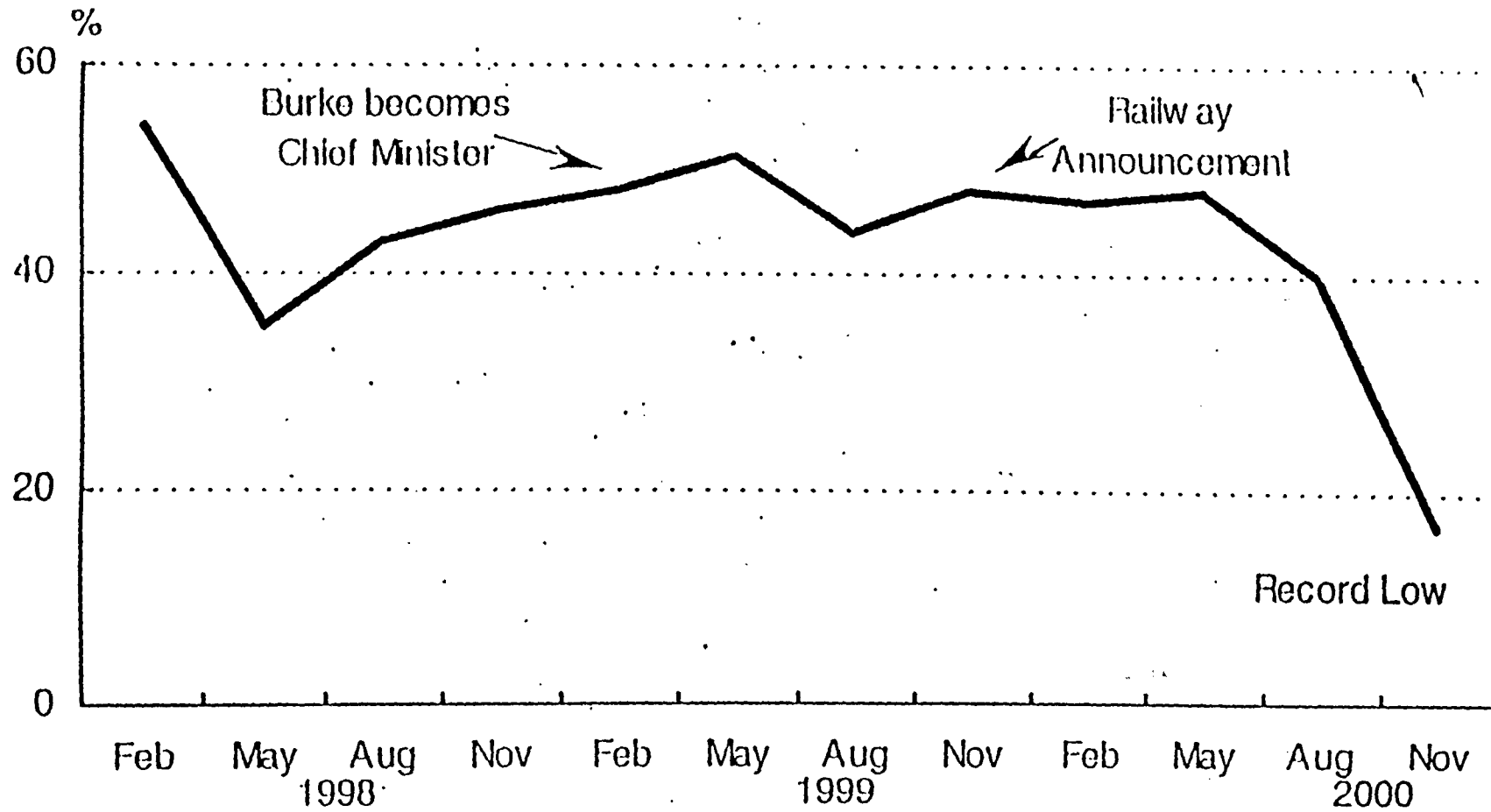
In the Northern Territory and Tasmania, the overwhelming reason behind this support was a view both governments were supportive and interested in small business. In Queensland, the predominant factor was the Government's ability to generate new jobs.

The most negative small business attitudes towards state and territory governments were split equally between New South Wales and Victoria. The most negative attitudes expressed by SMEs regarding the impact of state and territory governments on their own business, were aimed at the Victorian and New South Wales governments. In Victoria, the most significant individual factor cited for negative attitudes towards the Victorian State Government was increased workers' compensation costs. In New South Wales, there was a view the State Government did not understand the needs of small business.



TELSTRA SMALL BUSINESS INDEX

ATTITUDE TO TERRITORY GOVERNMENT



Source: Telstra Small Business Index, November 2000

ATTACHMENT 2