

## Net Balance

Business confidence for next 12 months (net balance)

Northern Territory + 60% ↑ 12 ppt

Australia + 50% ↑ 20 ppt

*NB: The net balance is defined as the difference between the percentage of positive and negative responses.*

## Next 12 Months

Business confidence increased in the Territory in the August quarter 2009. A net balance of 60% of Territory Small and Medium Enterprises (SMEs) remain confident about the next 12 months compared to a net balance of 50% nationally. Business confidence in the Territory remains above the national level (see Chart 1).

In the August quarter 2009, the Territory reported an increase of 12 percentage points from the previous quarter, compared with an increase of 20 percentage points nationally. The key reasons that SMEs gave for the improved national confidence related to feeling that the economy and business would improve in the next 12 months.

The Territory recorded the equal highest net balance in business confidence (60%) along with Tasmania (see Chart 2). The remaining jurisdictions reported the following net balances; New South Wales (46%), Queensland (50%), South Australia (52%), Western Australia (52%), Victoria (52%) and Australian Capital Territory (54%).

## Last 3 Months

In the Territory in the May quarter 2009 actual experience was better than expected for 'wages bill', and 'capital expenditure', while 'size of workforce' was equal (see Chart 3).

## Next 3 Months

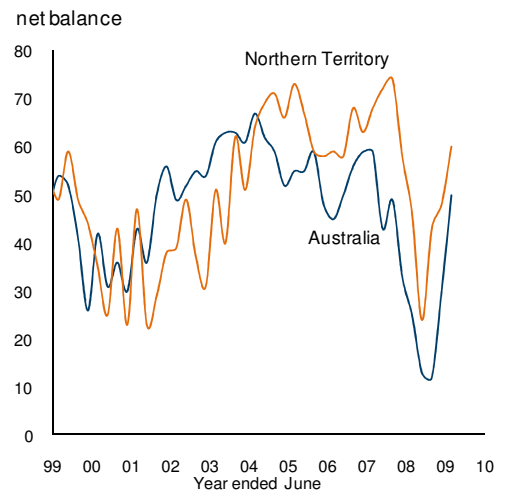
In the August quarter 2009, a majority of Territory SMEs expect conditions to improve across all indicators in the upcoming quarter, with the exception of 'capital expenditure'.

## Perceptions of the National Economy

A net balance of 20% of Territory SMEs believe the national economy is growing now (see Chart 4), compared to 6% nationally (see Chart 5).

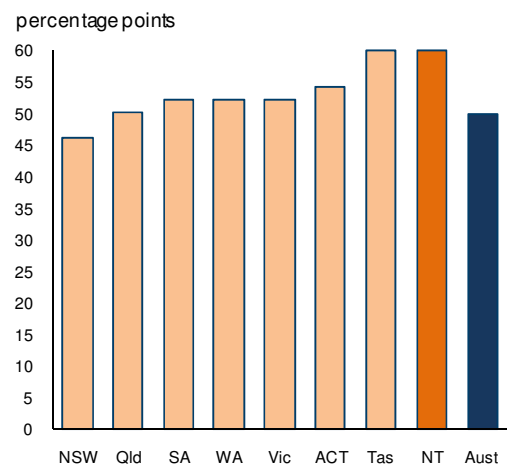
Territory SME's expectations regarding the strength of the national economy twelve months from now, were similar to that reported nationally, with a net balance of 37%, (see Chart 4) compared to a net balance of 38% nationally (see Chart 5).

**Chart 1: Business Confidence**



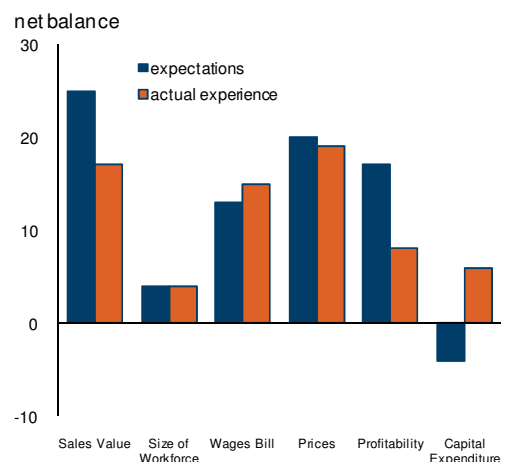
Source: Sensis Business Index

**Chart 2: Business Confidence (net balance)**



Source: Sensis Business Index

**Chart 3: Territory Business Indicators (expectations vs. actual experience, May quarter)**



Source: Sensis Business Index

## Attitude Towards Government Policy

In the August quarter 2009, 'Attitudes to Territory government policies' decreased from a net balance of 5% in the previous quarter to a net balance of negative 1% (see Chart 6).

Despite the negative net balance, the Northern Territory recorded the second highest ratings from SMEs behind Western Australia, which was the only jurisdiction to record a positive net balance.

- 20% of SMEs were supportive of Territory Government small business policies (down from 23% in the May quarter 2009).
- 21% of SMEs felt NTG policies worked against small business (up from 18%).
- 60% of SMEs felt that NTG policies had no real impact (up from 59%).

Nationally, the net balance of SMEs 'attitudes to government policies' increased to 6% compared to negative 5% in the May quarter 2009. The Commonwealth Government's economic stimulus package was again cited as the main reason for supporting the Commonwealth government.

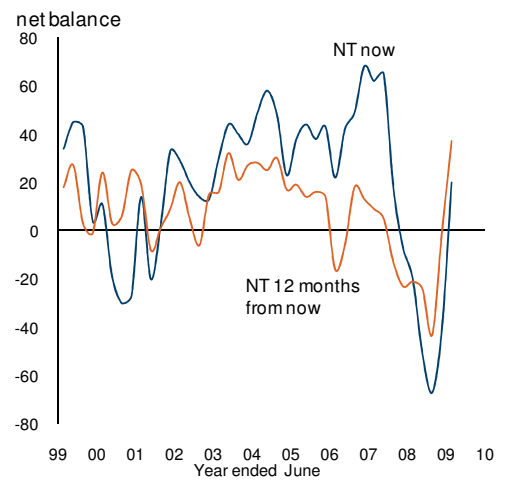
Of SMEs that approved of the Territory Government and its policies; 30% felt government 'offers incentives and subsidies' and 19% felt that the government was 'trying to help small business'. Of Territory SMEs that felt the government's policies worked against small business, 14% felt government provided 'no incentives to small business'.

August quarter 2009 results for Territory business confidence are:

- 16% were extremely confident (up from 14%);
- 56% were fairly confident (up from 51%);
- 17% were neutral (down from 18%);
- 10% were fairly worried (down from 14%); and
- 2% were extremely worried (down from 3%).

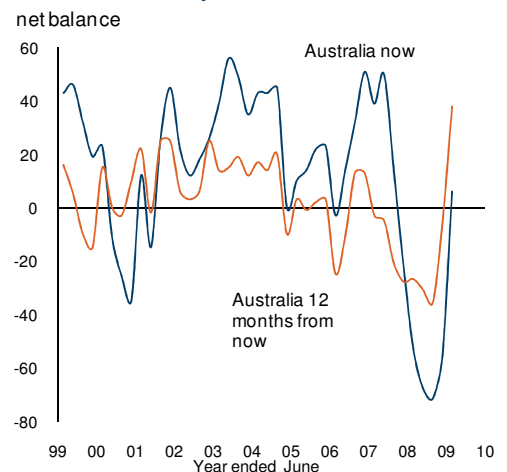
*Note: Since November 2000, the data series has included both medium sized enterprises and small enterprises. Prior to November 2000 only small businesses were surveyed.*

**Chart 4: NTs Perceptions of the National Economy**



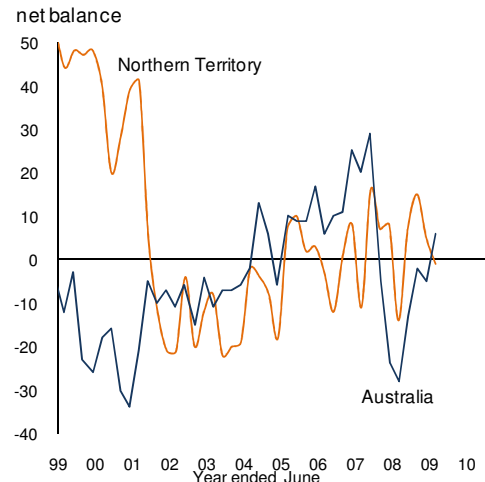
Source: Sensis Business Index

**Chart 5: National Perception of the National Economy**



Source: Sensis Business Index

**Chart 6: Attitudes Toward Policies**



Source: Sensis Business Index